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# ***Daily Report***

## **China**

FBIS-CHI-93-146  
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# Daily Report

## China

FBIS-CHI-93-146

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2 August 1993

**NOTICE TO READERS:** An \* indicates material not disseminated in electronic form.

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## General

### Deng Said Behind Beijing's Bid To Host 2000 Olympics

HK3007135593 Hong Kong AFP in English 0816 GMT 30 Jul 93

[By Gilles Campion]

[Text] Beijing, July 30 (AFP)—China's paramount leader Deng Xiaoping is the man who kicked off Beijing's push to be named host city for the Olympic Games in the year 2000 and he follows the issue closely, according to a senior Chinese Olympic Committee official.

Chinese Olympic Committee Secretary-General Wei Jizhong, in an interview with AFP, said Deng had put the idea to China's sports minister at the 1990 Asian Games. "He has a great interest in Beijing's candidacy," Wei said Thursday.

Beijing is one of the stronger contenders, along with Sydney, Australia, and northern England's Manchester, for hosting the 2000 Olympic Games. "The year 2000 is a symbolic date for China because it is the target fixed by Deng Xiaoping for achieving the modernisation of China's economy," Wei said. "If we can also obtain the honour of organising the Olympic Games, this would be a crowning achievement."

Among the 91 members of the International Olympic Committee (IOC), many have visited or are scheduled to visit Beijing between now and September 23, when the host city is to be selected. Wei said Chinese officials discussed all topics, including politics, broached by members of the IOC.

"Three questions came up regularly: human rights, Tibet and China's regime after Deng Xiaoping," he said. Much speculation surrounds China's political future after Deng, who turns 89 next month, dies.

On Monday, the U.S. House of Representatives voted 287-99 in favour of a resolution opposing Beijing's Olympics bid on human rights grounds. Beijing has accused Washington of wanton interference in urging the IOC to reject its bid. "In the area of human rights, the government has made efforts, but the Western conception of the matter is different than that which we have in Asia," Wei said. "For us, the human rights which take priority are the right to live, eat, have shelter and get an education. Elevating our standards of living and education inevitably go the furthest in promoting democracy."

Wei denied accusations expressed in the West that China was trying to wipe out Tibetan culture and replace it with its own. "There are some two million Tibetans in Tibet and about 60,000, if my memory serves me well, Chinese technicians who are very well paid to work there but

would not like to stay in Tibet. "The Chinese government is ready to discuss all questions with the Dalai Lama except Tibetan sovereignty."

Exiled Tibetan spiritual leader the Dalai Lama is a vocal advocate of independence for the Himalayan kingdom of Tibet, which has been internationally recognised as part of China for more than 40 years. International watchdog groups have reported widespread human rights abuses by Chinese forces in Tibet.

Regarding China's future after Deng, Wei said: "It will be impossible to go back on the policy of opening and reforming the economy. No matter who the successor is, he will continue on the path traced by Deng Xiaoping. This is the essential."

Wei, who speaks perfect English and French, reiterated China's desire to see a developing country selected to host the Olympics. "Half the members of the International Olympic Committee come from developing countries, the others from the developed world. But each will vote according to his convictions," Wei said.

He deplored acidic comments by Sydney's Olympic Games candidacy that Beijing was "losing ground" in its bid to host the games and that Chinese officials were actually preparing to bid for the year 2004.

"We have fixed a rule for ourselves that we do not criticise any other candidate out of respect for the spirit of the Olympic movement and we will keep this attitude until the final decision is announced," said Wei, adding he believed the IOC had neither allowed itself to be influenced by Sydney's comments nor by the U.S. House of Representatives resolution.

### 'State Leader' To Lobby for Olympic Bid

HK0108043093 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 1 Aug 93 p 1

[Report by Geoffrey Crothall in Beijing]

[Text] Chinese President Jiang Zemin is expected to attend the key International Olympic Committee (IOC) meeting in Monte Carlo on September 23 to decide the venue of the 2000 Olympic Games. Deputy Sports Minister Liu Ji was quoted by a newspaper yesterday as saying a "state leader" would head a "huge delegation" to Monte Carlo to lobby for Beijing.

Political analysts said that state leader would almost certainly be Mr Jiang, as Prime Minister Li Peng's health was still a concern and Acting Premier Zhu Rongji would probably be too busy. Mr Jiang played host to IOC President Juan Antonio Samaranch at the Shanghai East Asian Games in May and the two men are "old friends".

Australian Prime Minister Paul Keating and his British counterpart John Major have declared their intention of attending the Monte Carlo meeting. It had been suggested the Chinese Government was having second thoughts about sending a senior leader after a leaked IOC

report put Beijing fourth on the list of contenders behind Sydney, Manchester and Berlin. The government, it was said, did not want to risk a massive loss of face by having a senior leader present if its bid failed.

But Mr Liu's comments in the Shanghai-based Wen Hui Bao indicates China is willing to take that risk. Chinese officials, including Beijing's Communist Party boss Chen Xitong, have publicly stated they are prepared if they lose the bid. "The basic strategy if Beijing loses is to accept defeat gracefully and pledge to work even harder for the honour of hosting the Games at a later date," a source said. "We hope it won't come to that, but we have to be realistic about the possibility of losing."

Failure to win would still be considered a national humiliation after the massive propaganda campaign virtually promised victory. But given the planned attendance by Mr Keating and Mr Major in Monte Carlo, China will have no option but to send someone of at least equal rank. And as one political observer said: "Nobody really cares if Jiang Zemin loses face anyway."

#### **Chen Xitong Talks With Japanese IOC Member**

*OW3107154793 Beijing XINHUA in English 1452 GMT 31 Jul 93*

[Text] Beijing, July 31 (XINHUA)—Chen Xitong, president of the Beijing 2000 Olympic Games Bid Committee, met on Saturday [31 July] with Chiharu Igaya, an IOC member from Japan.

Chen Xitong briefed the Japanese visitor about the city's preparation of its bid for the 2000 Olympics.

Chen, former mayor of Beijing, invited Chiharu Igaya to attend the Seventh Chinese National Games slated for September.

#### **IOC Member 'Quite Impressed'**

*OW0208084093 Beijing XINHUA in English 0807 GMT 2 Aug 93*

[Text] Beijing, August 2 (XINHUA)—International Olympic Committee member Chiharu Igaya of Japan said here today that he was quite impressed by Beijing's bid for the 2000 Olympic games.

Igaya told a press conference at the end of his three-day visit that the Beijing 2000 Olympic Games Bid Committee (BOBICO) was quite effective, because he had seen the athletes' changing and service areas already modernized since the IOC enquiry commission inspected the capital gymnasium and gave the BOBICO their advice.

He said that the areas he saw in the capital gymnasium were now "first class".

The Japanese IOC member was quite pleased with the sports facilities that Beijing prepared for the 2000 Olympic games. "I am glad to see that 76 per cent of the sports facilities needed for the games are ready, and I am

sure another 24 per cent could be built in the next seven years with the improvement of the economy in the country," said Igaya.

"What impressed me much more is that China is able to improve the existing facilities with modern technology," said the IOC member.

Igaya, who visited Beijing three years ago during the 11th Asian Games, spoke highly of the work the BOBICO has been doing for the bid. "I am impressed with their effectiveness," he said. He said that when the IOC enquiry commission visited the capital gymnasium last March, they told the BOBICO that the athletes' changing rooms should be upgraded.

He said when he saw the capital gymnasium the other day, he found the changing rooms had already been improved up to the modern standard.

"I am sure that the athletes will be best treated in Beijing," said the IOC member.

What impressed Igaya most was the eagerness of the citizens to have the Olympic Games in Beijing. "I have met many citizens in the streets, and from their smiles, their faces, I could feel their appealing for the Olympics," he said. A survey released recently showed that 98.7 per cent of the residents in Beijing supported Beijing's bid for the games.

He made a special mention of two monks he met in the Yonghe Lamasery in Beijing. "Usually I beg the monks to pray for me, but here the monks beg me to pray for Beijing's success," Igaya said.

The IOC member, who led the IOC enquiry team to inspect the bidding cities for the 1992 and 1994 winter Olympic games, believed that if Beijing should win the right to host the games, it will benefit the participants with its rich culture and art.

"From my experience, I should say Beijing is doing a good job in its bid," he said.

When a U.S. journalist from THE WASHINGTON POST in the United States asked him if he was saying that Beijing was perfect in the bid, the Japanese IOC member denied that he said it was perfect.

"No city is perfect. And it is wrong to say one city is perfect for the Olympics," Igaya said.

He said that the Olympic Games should not be held just in a few countries. "They should be held in more new countries and new continents," he stressed.



**Fourth World Women's Conference Committee Meets**

*OW3007161593 Beijing XINHUA in English 1446  
GMT 30 Jul 93*

[Text] Beijing, July 30 (XINHUA)—The second plenary session of the Chinese organizing committee of the Fourth World Women's Conference was held here today.

State Councillor Peng Peiyun, newly-appointed chairman of the organizing committee, urged the sub-committees to do their utmost to prepare for the Fourth World Women's Conference, which will be held here in 1995.

To make preparations for the Fourth World Women's Conference, China set up the organizing committee in August last year. The committee has done a lot of mobilization and preparation work in the past year.

The Fourth World Women's Conference will be the largest international meeting ever held in China, it is learned. Peng asked the member units of the organizing committee to transfer capable personnel to do the preparatory work and support the committee with more funds.

**UN Commander Honors Engineer Soldiers in Cambodia**

*OW0108083393 Beijing XINHUA in English 0756  
GMT 1 Aug 93*

[Text] Phnom Penh, August 1 (XINHUA)—Chinese engineer soldiers serving as U.N. peace-keepers in Cambodia were awarded medals today for their outstanding performance by John Sanderson, commander of the United Nations peace-keeping forces in Cambodia.

A total of 398 Chinese soldiers and two martyrs won the honor.

At a medal-awarding ceremony, Sanderson said: "China has made its contributions to the work of the United Nations Transitional Authorities in Cambodia (UNTAC) by sending engineer troops to Cambodia."

"The Chinese engineer soldiers have also made important contributions to Cambodia's reconstructions and played their roles in restoring peace in the country," he noted.

Sanderson also expressed his thanks to the Chinese soldiers on behalf of U.N. Secretary-General Butrus Ghali and UNTAC President Yasushi Akashi.

Thirty-four countries, including China, have sent troops to join the U.N. peace-keeping mission in Cambodia. It was the first time China had ever participated in a U.N. peace-keeping operation.

**UN Official Says Vietnamese Refugees Not Deported**

*OW3007154093 Beijing XINHUA in English 1437  
GMT 30 Jul 93*

[Text] Beihai, July 30 (XINHUA)—The local government of Beihai city in China did not expel Vietnamese refugees, a United Nations (U.N.) official said here recently.

Kasidis Rochanakorn, representative in Beijing of the U.N. High Commissioner for Refugees (UNHCR), said while commenting on the illegal entry to Hong Kong by Vietnamese refugees from Beihai city in southwest China's Guangxi Zhuang Autonomous Region, that some reports about the incident were exaggerated.

He said, after a one-day inspection here July 27, that the measures the Beihai government adopted concerning the settlement of the Vietnamese refugees were correct and effective.

Rochanakorn said he was satisfied with the measures the Beihai government has taken to resettle the refugees.

He also expressed his hope that the Chinese Government would continue to co-operate with the UNHCR in dealing with the problem of refugees illegally entering Hong Kong.

Xu Liugen, director of the State Council's Office for the Settlement of Indo-Chinese Refugees, said that the Chinese Government is responsible for the settlement of refugees, and will never expel or connive to enable them to emigrate illegally to a third country or region.

He also said that his office would like to co-operate with the UNHCR and the Hong Kong Government to solve the problem as soon as possible.

Since 1979 some 13,000 Vietnamese refugees have been settled by the Chinese Government in Qiaogang town near Beihai.

And with the help and co-operation of the UNHCR, such public facilities as houses, schools, hospitals, fishing companies and factories have been built for them.

The above-mentioned measures have made the town a wealthy one, with a per capita income of 1,400 yuan.

But the flow into Beihai of refugees, who were settled in other places in south China, has brought the city many social problems, such as environmental pollution, traffic jams and an upsurge in crime, according to an official of the Beihai city government.

Some of the migrants have been sent back to their original settlements, while measures have been taken to allow the others to live and work in Beihai, he said.

## U.S. Threatens Unilateral Air Strikes Over Bosnia

OW0208050093 Beijing XINHUA in English 0439  
GMT 2 Aug 93

[Text] Washington, August 1 (XINHUA)—The U.S. said it is prepared to proceed unilaterally with air strikes in Bosnia even if its Western allies don't agree with broader use of air power it has proposed, according to reports reaching here today.

"We cannot allow the strangling of Sarajevo to continue," State Department spokesman Michael McCurry told reporters traveling with Secretary of State Warren Christopher, who is en route to the Middle East.

"The United States is determined to act. But based on the conversations we've had—and we certainly feel that it's possible, we will act within the NATO framework," McCurry said.

Christopher, who is traveling to Egypt for talks on the Middle East peace process, dispatched Assistant Secretary of State Stephen Oxman and special envoy Reginald Bartholomew to Brussels for an emergency NATO ministerial meeting on Monday [2 August].

The meeting was proposed by Washington, which had urged NATO allies to use air power to end sieges of Sarajevo and other population centers and to protect convoys transporting humanitarian relief supplies.

The new U.S. plan goes beyond the original mission of only protecting UN troops guarding "safe areas" in Bosnia.

Despite a compromise agreement reached in Geneva by the three factions in the Bosnian conflict, McCurry said, "The U.S. at this point feels it's important to bring urgent pressure on the Serbs so they recognize what counts most is what we see on the ground."

Washington has intensified its consultations with NATO allies, Russia and UN Secretary General Butrus Ghali during the past few days.

President Bill Clinton has written to leaders of all the other 15 NATO member nations, as well as to Butrus Ghali and Russian President Boris Yeltsin.

Christopher also has written personal letters to foreign ministers of the same countries and engaged in a flurry of telephone conversations, said McCurry.

The secretary of state will not go to Brussels by himself, as suggested by earlier reports, but will keep contact with U.S. officials in Brussels on further actions in Bosnia, the spokesman said.

## United States & Canada

### Qian Qichen Meets Overseas Chinese Delegation

OW0208103393 Beijing XINHUA in English 0849  
GMT 2 Aug 93

[Text] Beijing, August 2 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen met with a delegation of the U.S.-based Taiwanese Chambers of Commerce of North America here this morning.

The delegation is headed by Chamber President Edward T. Chen. They have been here to investigate China's economic circumstances and make investments.

During the meeting, Qian briefed the guests on the mainland's domestic economic situation, saying that the country's economy has entered into a period of high-speed development.

For over ten years, he said, China has been carrying out the policy of reform and opening up to the outside world, focusing on economic construction and making great achievements.

Qian said that Overseas Chinese are welcome to investigate and invest in the mainland.

Touching on issues of international politics and economy, Qian said that radical changes have taken place in the world, and the global economy is in a depressing state.

Compared with other parts of the world, he said, the East Asian region has remained relatively stable and the regional economy has been advancing at a higher speed.

Qian also explained China's policy of "one country, two systems". He expressed his satisfaction over the strengthening of ties between the mainland and Taiwan in recent years, saying that it is "a good trend."

According to sources, the Taiwanese Chambers of Commerce were founded in 1988. There are 15 branch chambers in various cities in the U.S. and over 3,000 member enterprises.

Chen and his delegation arrived here July 31 as guests of the Overseas Chinese Affairs Office of the Chinese State Council. This afternoon, they are scheduled to leave here for Chongqing, a city in southwest China.

### Sino-U.S. Accord on Continuing Education Sigend

OW0208100793 Beijing XINHUA in English 0903  
GMT 2 Aug 93

[Text] Changsha, August 2 (XINHUA)—A non-governmental Sino-U.S. agreement on a continuing education program has recently been signed here in this capital of central China's Hunan Province, where a joint training center founded in 1984 is based.

The program was initiated by the Hunan Center for Scientific and Technological Exchange With Foreign Countries and the American International Management and Technology Information Company (MTI).

In the last nine years, the training center has organized various courses covering management, accountancy, trade and language teaching. Altogether, it has trained nearly 700 Chinese entrepreneurs, senior engineers, certified accountants and management personnel.

According to the new agreement, the center will enroll trainees from foreign countries this fall, who can learn Chinese and gain knowledge of China through two years of study.

**XINHUA: CIA Says Economic Growth 'Impressive'**

OW3107043093 Beijing XINHUA in English 0338  
GMT 31 Jul 93

[Text] Washington, July 30 (XINHUA)—U.S. Central Intelligence Agency says in a report today that China's economic growth last year is "impressive", but it added that Beijing has difficulty in managing the "complex challenges" that accompany the growth.

While presenting the CIA's annual assessment of the current economic situation in China, Martin Petersen, director of the Office of East Asian Analysis, said that "since the early 1980s, China's economy has grown at an average of nearly 9 percent a year in real terms. At this rate, the size of the economy more than doubles every decade.

"In stark contrast to many of the states of the former Soviet Union, which are now also attempting reform, living standards for much of the Chinese population have improved steadily over the past decade and a half, and consumer goods and food supplies are abundant throughout much of the nation," the director told the Senate Subcommittee on Technology and National Security today.

But he noted that the slow pace in reforming its financial sectors have hampered China's ability to guide economic development by using indirect macroeconomic levers and there are also problems in fine tuning its economy to achieve stable, long-term growth levels.

He went on to say that Beijing has recently stepped up its efforts to cool the economy and slow growth to levels that can be sustained over the long terms.

Referring to China's longer term prospect, he said that "clearly, China has substantial potential for further growth, China has the natural resources, the human capital, and the access to technology that are essential to sustaining the growth rates of the past decade into the next century."

He repeated the CIA's assessment last year that "the Chinese economy is evolving through the continuing

cycles of reform and retrenchment.... Temporary setbacks to reform are likely to occur. What is also clear, however, is that China cannot return to the policies of the pre-reform era."

The Senate Joint Economic Committee has been holding annual hearings on developments in China for many years since the Cold War era and every year the CIA submits an annual report on China's economic situation.

In his opening remarks at today's hearing, Senator Jeff Bingaman said that as China now occupies an important place in the world economy and its role can be expected to continue to grow.

"We still have strong interest in the changes taking place in that country and we need to be paying close attention to them," he said.

**Northeast Asia**

**Li Ruihuan Talks With Visiting Japanese Artist**

OW3107115093 Beijing XINHUA in English 1141  
GMT 31 Jul 93

[Text] Beijing, July 31 (XINHUA)—Beijing will host the First International Art-Technology Exhibition in the fall of 1994 (ARTEC '94).

This was announced by officials of the Ministry of Culture and Japanese artists here today.

Li Ruihuan, one of the top leaders of the Chinese Communist Party, announced his endorsement for the exhibition this afternoon when he met with visiting Japanese artist Katsuhiko Yamaguchi, who is chairman of the exhibition's International Consultants Committee.

Li, also chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), noted that ARTEC will play an important role in promoting scientific and technological advancement, economic development and art creation.

He expressed the belief that ARTEC will arouse wide interest.

Li also called on Chinese and Japanese artists to work for greater exchange and cooperation in culture and art and for Sino-Japanese friendship.

Yamaguchi, who is also an honorary professor at Japan's Tsukuba University, told Li that yesterday he and the Chinese hosts held the first preparatory meeting for the exhibition. Li's remarks today will encourage them to make the exhibition a success, he added.



### Agreement on Japanese Aid Signed in Beijing

OW3107051593 Beijing XINHUA Domestic Service in Chinese 0725 GMT 30 Jul 93

[By reporter Cong Yaping (0654 0068 1627)]

[Text] Beijing, 30 Jul (XINHUA)—Notes on the Japanese Government providing grant aid to the Chinese Government for four projects in 1993 were formally signed in Beijing today by the Japanese Ambassador to China Michihiko Kunihiro and Shi Guangsheng, Chinese vice minister of foreign trade and economic cooperation.

Japan's aid to China in the form of grants began in 1980. So far, 52 Chinese projects have received such aid, 40 of which have been completed and put into operation, and 12 of are under construction. According to statistics, from 1980 to 1992, China received a total of 77.873 billion yen in aid from Japan.

The total amount of the latest exchange of notes was 4.614 billion yen. The four projects to benefit from the aid are: The project "China Center for the Vocational Training of Instructors," which will employ advanced Japanese training equipment and methods to train Chinese instructors; the "Baicheng Prefecture Water Supply Project," which is designed to improve the drinking water quality in areas plagued by fluorine-related diseases in Jilin's Baicheng Prefecture; a project to wipe out poliomyelitis, which is part of the World Health Organization's 1995 project; and Fujian's Min Jiang floodwater early warning system.

### Beijing's Chen Xitong Meets With ROK Guests

SK3007134693 Beijing BEIJING RIBAO in Chinese 6 Jul 93 p 1

[By reporter Lian Gong (6647 0364): "The Investment Environment and Efficiency of Beijing Are Improving"]

[Excerpts] Yesterday afternoon, Chen Xitong, secretary of the Beijing municipal party committee and chairman of the Beijing 2000 Olympic Games Bid Committee, and Li Qiyan, mayor of Beijing Municipality, met with Kim Myong-yun, permanent adviser of the Korean Democratic Liberal Party, and Choe Won-sok, president of the Korean Tong-A Business Group, and their entourage. Both sides expressed the desire to further develop friendly relations, exchanged views on matters concerning the Korean enterprises' and the friendly personages' participation and investment in building the Beijing Municipal subway, expressway and cement plant, and signed the memorandum.

Chen Xitong welcomed the Korean guests' visit to Beijing. He said: Since the establishment of diplomatic ties between China and the ROK, friendly relations have further developed. The whole nation is exerting efforts to develop the economy and to unceasingly raise the living standards of the more than 1.1 billion people. This is a great contribution to mankind and world peace. In

developing the economy, we must have markets. The important condition for market development is to have many people, and China has a population of 1.1 billion people. When people have money in their pockets, they will have purchasing power. China has an extremely big market potential with the gradual enhancement of the people's living standards. Foreigners with insight will recognize that China is the best cooperation partner and that the cooperation opportunity will increase along with China's economic development. Beijing's investment environment and efficiency are improving, and its great potential for developing subways, expressways and cement plants and the vast prospects for developing cooperation with Korean friends are favorable for both sides. It is hoped that the memorandum signed this time will be rapidly implemented.

Chen Xitong thanked the Korean friends for supporting Beijing to host the Asian Games and to bid for hosting the Olympic Games. He said: The Beijing 2000 Olympic Games bid will help to better promote China's opening up, promote exchange and cooperation in the eastern and western cultural and economic sectors, and promote our economic development and modernization. Six cities are now bidding for hosting the Olympic Games and only one will get the bid. Five cities will fail in their bid. But this is not failure. Bidding for hosting the Olympic Games is a move that respects and cherishes the Olympic spirit and contributes to the Olympic Games.

Mr. Kim Myong-yun thanked Beijing for its warm reception. He said: Since the establishment of PRC-ROK diplomatic ties, economic and cultural cooperation has greatly developed. He hoped to strengthen cooperation with Beijing in building communications facilities and earnestly hoped that the 2000 Olympic Games will be held in Beijing. [passage omitted]

After the meeting, Yi Xiqun, chairman of the Beijing Municipal Commission of Economics and Trade, and Choe Won-sok, president of the Korean Tong-A Business Group, signed the memorandum. Both sides agreed to dispatch specialized personnel to discuss specific issues and to coordinate the implementation work at an appropriate time.

That evening, Mayor Li Qiyan feted Mr. Kim Myong-yun and Choe Won-sok and their entourage.

Zhang Baifa, executive vice mayor and executive vice chairman of the Beijing 2000 Olympic Games Bid Committee, and Vice Mayor Lu Yucheng, participated in the meeting.

### Korean War Veterans Mark Anniversary in Pyongyang

OW3007112593 Beijing XINHUA in English 1040 GMT 30 Jul 93

[Text] Pyongyang, July 30 (XINHUA)—A delegation of Chinese veteran volunteers who fought in Korea's National Liberation War (1951-1953), met with a leader

of the Korean People's Army today when they made reminiscences of the wartime history.

Choe Kwang, chief of the General Staff of the Korean People's Army, told Liu Anzi, political commissar of the Nanjing military area command who heads the delegation, that the Korean people will never forget the support given by the Chinese people's volunteers during the war.

Choe also said that the Korean People's Army will do its best to develop and consolidate the friendship between China and the Democratic People's Republic of Korea.

The Chinese delegation is here for the celebrations of the 40th anniversary of the victory of the Korean National Liberation War.

### Southeast Asia & Pacific

#### Reportage on Qiao Shi's Visit to ASEAN Nations

##### Meets Singapore's Goh, Ong

OW3007135493 Beijing XINHUA in English 1315  
GMT 30 Jul 93

[Text] Singapore, July 30 (XINHUA)—Visiting Chinese Chairman of the Standing Committee of the National People's Congress (NPC), Qiao Shi, today held talks with Singapore Prime Minister Goh Chok Tong and Deputy Prime Minister Ong Teng Cheong respectively. "The NPC now faces an urgent task of formulating economic laws to cope with the establishment and development of socialist market economy," Qiao said in his meeting with Goh.

China plans to set up the frame of laws for the system of socialist market economy in the next five years, according to Qiao, who became chairman of the NPC Standing Committee in March this year.

Another task is to strengthen the supervision, said Qiao. "we have already done some work in this aspect, and we need to further improve our system of supervision," he said.

Qiao told his host that an important task for his on-going tour of the five ASEAN countries is to learn the experiences of law formulation from these countries.

"We have already noticed that the economy of Singapore develops smoothly. It has also maintained the good aspects of the Oriental tradition of civilizations," Qiao said.

China hopes to absorb and learn the effective experiences and methods from Singapore in these fields, he added.

They have also exchanged views on the international issues of common interest and on furthering cooperations in all aspects.

#### Tells Lee Beijing To 'Adhere' to Reforms

OW3007133293 Beijing XINHUA in English 1302  
GMT 30 Jul 93

[Text] Singapore, July 30 (XINHUA)—China's economic construction requires a stable and peaceful international environment, visiting Chinese senior legislator Qiao Shi said here today.

Qiao Shi, chairman of the Standing Committee of the National People's Congress, made the remarks when meeting with Singapore Senior Minister Lee Kuan Yew this afternoon.

Qiao told his host that China will stick to the independent and peaceful foreign policies. "China's economic construction is a long task which requires the efforts of several generations," Qiao said, adding that China will adhere to the policy of reforms and opening to the outside world.

Lee praised the achievements made by China since it began the crusade of reforms and opening up more than a decade ago.

"Singapore has gathered some experiences in the process of construction, it has also encountered many problems," said the senior minister.

China has hundreds of years of civilization, and it has gained "mature" experiences of economic development, Lee said. "I'm confident that it is capable of dealing with the problems it faces and being built into a prosperous country," Lee added.

Qiao Shi told Lee that even if China becomes powerful in the future, it will remain to be an important force in maintaining peace and stability in Asia.

"China is willing to cooperate friendly [as received] with Singapore and all the neighboring countries and achieve common prosperity," Qiao said.

#### Talks With Attorney General

OW0208010693 Beijing XINHUA Domestic Service in Chinese 0955 GMT 31 Jul 93

[By reporters Cai Ximei (5591 6932 2734) and Peng Shujie (1756 2885 2638)]

[Text] Singapore, 31 Jul (XINHUA)—Qiao Shi, chairman of the National People's Congress Standing Committee, who is currently on a visit to Singapore, met this morning with Singapore's Attorney General Chen Xiqiang.

During the meeting, Chairman Qiao Shi first gave an introduction to China's judicial system and expressed the hope that China will strengthen relations, promote friendship, and exchange experiences with Singapore's Attorney General's Office.

Attorney General Chen Xiqiang briefed Chairman Qiao Shi and his party on the work of the Singapore Attorney

General's Office and expressed his willingness to maintain friendly and cooperative relations with China's Supreme People's Procuratorate.

Before the meeting, Chairman Qiao Shi and his party visited Jurong Town, an industrial zone situated in the southwest part of the island, and heard a briefing on the industrial zone. Chairman Qiao Shi was awarded a gold medal by the Jurong Town Administration Bureau.

### Envoy Hosts Return Banquet

OW0208024293 Beijing XINHUA Domestic Service in Chinese 1425 GMT 31 Jul 93

[By reporters Peng Shujie (1756 2885 2638) and Cai Ximei (5591 6932 2734)]

[Text] Singapore, 31 Jul (XINHUA)—Chinese Ambassador to Singapore Yang Wenchang hosted a return banquet here this evening to mark the successful visit which Qiao Shi, chairman of the National People's Congress Standing Committee, has paid to Singapore.

Tan Soo Khoo, speaker of the Singapore Parliament; Ch'ng Jit Koon, senior executive minister of social development; and parliamentarians Pak Chin Hwa, Choo Wei Keong, Foo Hi Chuan, Goh Juen Geng, and Tan Hioh Peng, as well as 200 other guests, attended the banquet.

In his toast, Yang Wenchang said that Chairman Qiao Shi's friendly visit to Singapore not only has strengthened the friendly contacts between the two countries' parliaments, but also has promoted the development of friendly Sino-Singaporean relations.

Yang Wenchang said: Since the beginning of 1993, relations between China and Singapore have reached a new level, the two countries' high-level contacts have been frequent, and their economic cooperation has witnessed creative progress. The complete success which Chairman Qiao Shi has achieved in his visit to Singapore has made new contributions to the development of friendly Sino-Singaporean cooperation.

On behalf of Chairman Qiao Shi and the Chinese NPC delegation, Ambassador Yang Wenchang also expressed his heartfelt thanks to the warm welcome and hospitality which the Singapore Government and parliament have accorded Chairman Qiao Shi and his party during their visit in Singapore.

Prior to the banquet, Koay Ling Joo, president of Singapore's Chinese Chamber of Commerce, and its honorary presidents Lian Eng Chen, Sun Peng Yam, Lim Yim Hua, and Tang Gong Chun paid a courtesy call to Chairman Qiao Shi and had cordial talks with him.

In the company of Ch'ng Jit Koon, head of the Singapore Reception Group, Chairman Qiao Shi and his party toured the scenic Sentosa Island of Singapore this afternoon.

### Ends Singapore Visit

OW0108062893 Beijing XINHUA in English 0515 GMT 1 Aug 93

[Text] Singapore, August 1 (XINHUA)—Qiao Shi, chairman of the Standing Committee of the National People's Congress (NPC) of the People's Republic of China, left here this morning for Thailand after concluding successfully a three-day visit to Singapore.

In a message sent upon departure to Tan Soo Khoo, speaker of Singapore's Parliament, Qiao said he was impressed by the economic success and the beautiful scenery of Singapore.

Qiao said he had "frank and useful" discussions with President Wee Kim Wee, Prime Minister Goh Chok Tong and Senior Minister Lee Kuan Yew during the visit.

He also exchanged views with Tan Soo Khoo on cooperation between the parliaments of the two countries, as well as issues of common interest.

His visit, Qiao continued in the message, helped promote mutual understanding and friendship, which he believed would contribute to the further development of the friendly relations and cooperation between the two countries.

Qiao arrived here on July 29 on the third leg of his first official and goodwill visit to the five ASEAN countries. He had already visited Indonesia and Malaysia from July 20-28.

Qiao will continue his five-nation tour in Thailand and the Philippines after taking a two-day rest in island of Phuket, south of Thailand.

### Arrives in Thailand

OW0108073893 Beijing XINHUA in English 0706 GMT 1 Aug 93

[Text] Phuket, Thailand, August 1 (XINHUA)—Qiao Shi, chairman of China's National People's Congress (parliament), arrived around noon for a two-day stop-over here before starting a five-day official visit to Bangkok.

Qiao flew in after winding up a three-day official visit to Singapore.

Upon his arrival at the Phuket International Airport, Qiao was greeted by Second Deputy Speaker of the Thai House of Representatives Thawin Phraison, Secretary-General of the Thai National Assembly Phaisit Phiphatanakun and Phuket provincial officials.

During his stay in Bangkok, Qiao is scheduled to meet with Marut Bunnak, president of the Thai National Assembly. The two men will discuss parliamentary cooperation and exchanges between China and Thailand and other issues of mutual concern.



Qiao will be received by King Phumiphon Adunyadet and meet with Prime Minister Chuan Likphai.

Thailand is the fourth leg of Qiao's five-nation Southeast Asian tour. The Chinese parliamentary leader will visit the Philippines after his trip to Thailand. He has visited Indonesia, Malaysia and Singapore.

#### **Chi Haotian, Thai Defense Official View Ties**

OW3107105693 Beijing XINHUA in English 1049  
GMT 31 Jul 93

[Text] Beijing, July 31 (XINHUA)—Chinese defense minister and a leading Thai defense official today expressed the mutual wish to see even closer ties between the armed forces of China and Thailand.

General Chi Haotian, Chinese state councillor and defense minister, met this afternoon with General Wirot Saengsanit, deputy under-secretary of state of the Thai Ministry of Defense, who is here on a brief goodwill visit.

Chi said he hoped Wirot's visit would further the existing close relations between China and Thailand, particularly the ties between the two armed forces, which are characterized with a traditional friendship.

Wirot said the Thai people and armed forces cherish friendly feelings towards the Chinese Army. He voiced the hope that the PLA will enjoy further growth, thus making greater achievement in safeguarding peace and seeking development.

Briefing Chi on development of the Thai armed forces, he said, just like the PLA, the Thai military is cutting down troops and armaments, while striving to enhance combat capabilities.

#### **Burmese Visit of Bu He-Led Delegation Reported**

##### **At Beijing-Built Bridge Inaugural**

OW3107113093 Beijing XINHUA in English 1105  
GMT 31 Jul 93

[Text] Yangon [Rangoon], July 31 (XINHUA)—Myanmar [Burma] today celebrated the inauguration of the China-aided Yangon-Thanlyin Bridge.

The rail-cum-road bridge is located at east suburbs of the capital.

Special Chinese envoy Bu He, vice-chairman of the National People's Congress Standing Committee, and Myanmar Deputy Prime Minister Maung Maung Khin cut the ribbon for the official inauguration of the bridge.

Prior to the opening ceremony, Deputy Secretary-General Li Shizhong of the Chinese State Council and Myanmar Minister for Construction U Khin Maung Yin signed the certificate on the completion of Yangon-Thanlyin Bridge.

Both the Chinese and Myanmar sides hold that the bridge project is up to the designed requirements and good in quality.

Observers here believe that the opening of the bridge will enhance the development of Thanlyin industrial region and other regions.

#### **Foreign Minister Meets Delegation**

OW0108180193 Beijing XINHUA in English 1533  
GMT 1 Aug 93

[Text] Yangon [Rangoon], August 1 (XINHUA)—Myanmar [Burma] Minister for Foreign Affairs U Ohn Gyaw met with and hosted a dinner for the visiting Chinese delegation led by Bu He, vice-chairman of the National People's Congress Standing Committee, here this evening.

Bu He, also special envoy of the People's Republic of China, has specially come here to attend the opening ceremony of the China-aided Yangon-Thanlyin bridge held on July 31.

This morning, the delegation accompanied by Myanmar Minister for Rail Transportation U Win Sein visited Mandalay City, an ancient capital and second largest city of the country.

#### **Vanuatu Speaker Meets State Councillor Luo Gan**

OW3107045993 Beijing XINHUA in English 0119  
GMT 31 Jul 93

[Text] Port Vila, July 31 (XINHUA)—Vanuatu Speaker Alfred Maseng said here today that he believed relations between Vanuatu and China would "stand for a long long time".

He made the remarks in a meeting with visiting Chinese State Councillor Luo Gan, who is leading a Chinese Government delegation on a visit to the South Pacific nation.

He also said that he was "proud of being the first speaker working in the new parliament house" which was built with assistance from China and opened on Monday [26 July].

Luo, also the secretary-general of the State Council, believed that his visit would further promote the bilateral relations between the two nations.

During his week-long visit here, Luo met President Frederick Kartomuana Timakata, Prime Minister Maxime Carlot, and other government officials for talks on bilateral economic cooperation.

Luo also attended the opening ceremony of the new parliament house and the ceremony marking the country's 13th anniversary of independence.

An agreement on China's offering loan to Vanuatu was also signed by the two countries.

The delegation will end its visit to Vanuatu this afternoon and fly to Marshall Islands via Fiji, the second leg of its South-Pacific trip.

### Near East & South Asia

#### Spokesman: PRC 'Deeply Disturbed' by Israeli Actions

OW3007130993 Beijing XINHUA in English 1248 GMT 30 Jul 93

[Text] Beijing, July 30 (XINHUA)—China has urged Israel to stop its aggression against Lebanon and appealed for parties concerned to keep restraint to prevent further deterioration of the situation in southern Lebanon.

A Chinese Foreign Ministry spokesman made the remark here today when asked to comment on the continuing deterioration of the situation in southern Lebanon in the last few days.

Since the 25th of this month, the spokesman said, Israel has used aircraft and artillery to stage a massive bombardment of southern and central Lebanon, causing the casualties of a large number of innocent civilians and a huge exodus from there.

"We are deeply disturbed at and very concerned about this renewal of tension in that region.

"We demand that Israel immediately halt its infringement upon Lebanon's sovereignty and territorial integrity. And we call on all the parties concerned to maintain restraint, so as to prevent the further deterioration of the situation," the spokesman said.

#### Further on Reaction

OW3007134593 Beijing XINHUA Domestic Service in Chinese 1243 GMT 30 Jul 93

[Text] Beijing, 30 Jul (XINHUA)—A Foreign Ministry spokesman today urged Israel to immediately halt its infringement of Lebanon's sovereignty.

The spokesman made this remark when a reporter asked for China's comment on the continuing deterioration of the situation in southern Lebanon over the past few days.

The spokesman said: "Since 25 July, Israel has continuously launched a massive bombardment of southern and central Lebanon using aircraft and artillery, causing heavy casualties among innocent civilians, triggering an exodus, and renewing tension in the region. We are deeply concerned about and disturbed by this situation. We ask Israel to immediately halt all actions infringing on Lebanon's sovereignty and territorial integrity; we also urge the parties concerned to maintain restraint in order to prevent the situation from further deteriorating."

#### Gu Jinchu-Led CPC Delegation Leaves for Israel

OW3007160493 Beijing XINHUA in English 1446 GMT 30 Jul 93

[Text] Beijing, July 30 (XINHUA)—A delegation of the Communist Party of China (CPC) left here this evening on a goodwill visit to Israel at the invitation of the Israeli Labor Party.

The delegation is headed by Gu Jinchu, a member of the CPC Central Committee and secretary of the CPC Gansu Provincial Committee.

#### Iran's Zarif, Qian Qichen on 'Friendly' Ties

LD3007141693 Tehran IRNA in English 1347 GMT 30 Jul 93

[Text] Tehran, July 30, IRNA—Deputy Foreign Minister for International Affairs Mohammad Javad Zarif, currently visiting Beijing, Friday told Chinese Foreign Minister Qian Qichen that Tehran attached great importance to cooperation and exchange of views with Beijing.

Terming Tehran-Beijing relations as "friendly", Zarif said the Islamic Republic of Iran and the People's Republic of China shared common views on many international issues.

Qian, stressing that certain countries were unhappy about the existing friendly relations between the two countries, noted that despite vicious propaganda Iran and China would continue their cooperation to the benefit of both nations and to consolidate world peace and security. He lauded Iran's policy of establishing relations with neighbouring countries on the basis of peaceful coexistence which he said would serve to restore peace and security to the region.

The two sides also dismissed as "unjustifiable" the idea of exploiting human rights for political gains and imposition of views held by one group on the others.

#### Beijing Promises Nepal Emergency Flood Relief Aid

OW0108123093 Beijing XINHUA in English 1138 GMT 1 Aug 93

[Text] Kathmandu, August 1 (XINHUA)—China has promised to provide Nepal with emergency relief materials equivalent to 260,000 U.S. dollars for the people affected by recent heavy floods and landslides.

In response to Nepal's requests for emergency relief, Zeng Xuyong, Chinese charge d'affaires ad interim, informed Nepalese Prime Minister Girija Prasad Koirala of the Chinese help here this afternoon.

The relief materials are expected to be transported to Nepal by airplanes within a few days.

Earlier, Chinese Premier Li Peng in his message to Prime Minister Koirala has expressed sympathy to the Nepalese Government and people in the disaster affected areas for the casualties and heavy property damage caused by floods in Nepal.

## Sub-Saharan Africa

### Various Leaders Stop in Beijing En Route From DPRK

#### Mozambican Prime Minister Visits

OW3007132993 Beijing XINHUA in English 1151  
GMT 30 Jul 93

[Text] Beijing, July 30 (XINHUA)—Mozambican Prime Minister Mario Machungo and his party left here this afternoon after a short stay in Beijing.

They were here on their way back after their visit to the Democratic People's Republic of Korea (DPRK).

Chinese Vice-Foreign Minister Yang Fuchang saw them off and conveyed Chinese Premier Li Peng's greetings to Machungo. Machungo expressed his thanks for this and gave his regards to Premier Li.

Machungo and his party stopped here July 24 on their way to the DPRK.

#### Tanzanian Deputy Prime Minister Leaves

OW0108083293 Beijing XINHUA in English 0732  
GMT 1 Aug 93

[Text] Beijing, August 1 (XINHUA)—Tanzanian Deputy Prime Minister and Minister of Home Affairs Augustine Lyatonga Mrema and his party left here today after a stopover in Beijing.

They stopped over here from July 31 to August 1 on their way back after their visit to the Democratic People's Republic of Korea (DPRK).

During their short stay here, Chinese Vice-Foreign Minister Yang Fuchang hosted a dinner in their honor at the Diaoyutai State Guest house here yesterday evening.

#### Ugandan Prime Minister Departs 1 Aug

OW0108083193 Beijing XINHUA in English 0639  
GMT 1 Aug 93

[Text] Beijing, August 1 (XINHUA)—Ugandan Prime Minister George Cosmas Adyebo and his party left here today after a brief stopover in Beijing.

They had a stopover here from July 31 to August 1 on their way back after their visit to the Democratic People's Republic of Korea (DPRK).

During their stopover here, Chinese Assistant Foreign Minister Wang Changyi hosted a dinner in their honor and greeted them and sent them off at the airport.

Wang conveyed Chinese Premier Li Peng's greetings to Prime Minister Adyebo, who expressed his thanks and extended his regards to Premier Li.

Adyebo and his party also stopped over here July 26 on their way to the DPRK.

### Tanzania, Uganda Seek Help on Railway Project

OW2907014893 Beijing XINHUA in English 1655  
GMT 28 Jul 93

[Text] Dar es Salaam, July 28 (XINHUA)—Tanzania and Uganda are seeking assistance from China for the planned Arusha-Musoma Railway project, which would provide another outlet to the sea for land-locked Uganda.

Tanzanian Transport and Communications Minister Philemon Sarungi told the National Assembly here on Tuesday [27 July] that he expects to fly to Beijing soon for official talks with the Chinese Government on the proposed Arusha-Musoma Railway project.

He said Tanzania, Uganda and China are expected to hold talks on the project in Dar es Salaam in September.

"I had discussions with Ugandan President Yoweri Museveni on this important project and the two sides agreed that we should contact the Government of China for possible assistance," Sarungi said.

During the 1970s, China helped build the Tanzania-Zambia Railway, which connects Kapiri-Mposhi in Zambia with the port of Dar es Salaam in Tanzania.

The proposed project extends the Tanga-Arusha Railway from Arusha to Musoma, a town on the shores of Lake Victoria inside Tanzania.

The railway, together with Lake Victoria shared by Tanzania, Uganda and Kenya, can provide Uganda with another outlet to the sea through the Tanzanian port of Tanga.



### Political & Social

#### Deng Xiaoping's Daughter Writes Biography

HK0108055593 Beijing XINHUA Hong Kong Service in Chinese 0438 GMT 31 Jul 93

[Text] Beijing, 31 Jul (XINHUA)—Following three years of efforts, Volume One of *My Father, Deng Xiaoping*, a biography written by Xiao Rong [5618 2827] (alias Mao Mao [3029 3029]), the daughter of Deng Xiaoping, will be published by the Central Documentary Publishing House in mid-September.

According to a JIEFANGJUN BAO report today, the author has adopted the approach of flashbacks in this 460,000-character biography, which starts with the first day of Deng Xiaoping's retirement. The book tells of the ancestors of the Deng family and clan and records Deng Xiaoping's revolutionary life before 1949.

The report says that the book has three characteristics. First, it has an imposing sense of history: Xiao Rong has devoted three solid years to writing this book, during which period she referred to voluminous archives, interviewed many old revolutionaries, and acquired many precious first-hand materials from her parents, so that the readers may deepen their understanding of the Chinese revolution while gaining a grasp of Deng Xiaoping's revolutionary experiences. Second, the book embodies the daughter's profound love for her father. Xiao Rong wrote in the preface: "My father and his comrades-in-arms are a generation that is closely connected with the fate of the whole century, a generation that has written and created history, and a generation that has devoted their whole lives to the motherland and the people." Third, her style is vivid and lively: When making a historical description of a great revolutionary, the author often knits in some anecdotes and tidbits; she had many vivid materials at her finger tips and wrote with great facility, thus enabling her to leave a very deep impression on the reader.

In the section, "A Few Last Words on This Book," Xiao Rong wrote: "I wanted to write about my father, because I have always been close to him, and I believe that I understand him."

#### Report Reviews Biography

HK0108075093 Beijing ZHONGGUO XINWEN SHE in Chinese 1330 GMT 31 Jul 93

[Text] Beijing, 31 Jul (ZHONGGUO XINWEN SHE)—A Chinese leader of small stature emerged in Sichuan's Guangan County, and his life was unusual. In his younger years, he lived in the West for six years, and this gave him the "Western" habits of drinking coffee and French wine and eating bread and cheese. He was also fond of soccer. He was married three times, and his third wife, Zhuo Lin, is younger than he by 12 years. He has said that he only received secondary education, but he was fond of studying. Among all history books, he particularly liked to read *Zi Zhi Tong Jian* [6327 3112

6639 7003; a 294-volume chronicle of Chinese history to the period of the Five Dynasties]. He had extraordinary wisdom and foresight. In the war years, he learned to play bridge, and this became a major hobby in his later years. He had three names, and the first was Deng Xiansheng. When he was 25, he changed his name to Deng Xiaoping.

Deng Xiaoping's daughter Mao Mao (Xiao Rong) has written a lengthy biography entitled *My Father, Deng Xiaoping*, (Volume One), which is imbued with deep feeling about her father's rich experience in the first half of his life. Some rarely known facts are revealed in the book, which will soon be published by the Central Document Publishing House. Today, the trial edition of JIEFANGJUN BAO's weekend edition revealed for the first time some passages of the book through an interview with the book's responsible editor, Zhou Zhixing (Xiao Rong did not change her original position and refused to be interviewed by any reporters).

The 460,000-character book was written by means of flashbacks starting with the first day of Deng Xiaoping's retirement. Then it describes Deng's ancestors and clan and Deng Xiaoping's revolutionary life before 1949.

The eighth day of November 1989 was both an ordinary and an unusual day for Deng Xiaoping. That day, the Fifth Plenary Session of the 13th CPC Central Committee took a vote and approved Deng's request to retire from the chairmanship of the Central Military Commission. Being the general architect of China's reform and opening up, Deng Xiaoping officially retired from China's political circles at the advanced age of 85. At the lunch table, he told his family members: "After retirement, my ultimate desire is truly to lead an ordinary man's life so that my life can be simpler and I can walk in the street and visit many places." That afternoon, he met with Jiang Zemin, the new chairman of the Central Military Commission, at the Great Hall of the People, and posed for a group photo with 12 CPC leaders, including Jiang Zemin, Yang Shangkun, and Li Peng. That evening, at a sumptuous family dinner, Deng Xiaoping's four grandchildren presented the old man with congratulatory cards that they had made personally. On the light blue wall of the dining room, a row of red characters read: 1922-1989 forever.

According to Xiao Rong's research, Deng's ancestor came from Luling [1687 7117], Jian [0679 1344] of Jiangxi, and was appointed to an official post in Guangan of Sichuan. On 22 August 1904, Deng Xiaoping was born in Paifang Village, Xiexing Township, Guangan County. He was named Deng Xiansheng in accordance with the clan's name order. Because his schoolteacher found that the name was not respectful enough toward Confucius, he was renamed Deng Xixian, a name which he used for 20 years.

Deng Xiaoping was very clever in his childhood. He received his elementary education in an old-style private school when he was five and entered a new-style primary



school when he was six. He passed the enrollment exam and entered Guangan County's senior primary school when he was 11. After graduation, he entered the county's secondary school, but he dropped out after a short time. In the second half of 1918, Deng Xiaoping passed the enrollment exam and entered Chongqing's top school for taking preparatory courses to study in France, in which students paid the tuition fees on their own through a program based half on study and half on work. He majored in French, algebra, geometry, physics, Chinese, and basic industrial knowledge. When he was studying in Chongqing, the May 4th Movement occurred. Deng Xiaoping participated in the demonstrations to condemn the traitors and boycott Japanese goods that were organized by students in Chongqing.

In late October 1920, Deng Xiaoping travelled by ship to France. He quickly spent almost all the money he had brought with him and was forced to terminate his "half-study" life after fewer than five months and begin the more than four years of his hard-working life as an expatriate worker in France. Under the difficult working and living conditions, he always remained optimistic and maintained a lively and cheerful disposition.

The book quoted a recollection article written by Deng Xiaoping. In the period of five years and two months, he "began to come into contact with some Marxist books and take part in some assemblies organized by Chinese or French people to propagate communism." He then had the desire to join the revolutionary organization. Finally, in the summer of 1922, he was admitted into the Communist Youth League of China. "Whenever I listened to people's debates, I always stood on the side of socialism." "I was never influenced by any other ideologies and followed communism all the way."

With one year in the Soviet Union, Deng Xiaoping lived in the West for a total of more than six years and developed some foreign habits. In 1974, when he stopped over in France on his way to attend the UN General Assembly in New York, as well as in 1975, when he paid a visit to France, he brought some French croissants back to China and gave them to Zhou Enlai, Nie Rongzhen, and Cai Chang as gifts, as they had all lived in France. In France, Deng Xiaoping also had a hobby—watching soccer games, which became a life-long hobby. After the founding of the PRC, he continued to be an enthusiastic soccer fan, and liked to watch the game as long as he could. In 1990, when the World Cup soccer games were held, he had already retired, so he watched 50 matches, either live or from a recording, out of the 52 matches.

Deng Xiaoping was not very interested in Western classical music, but he liked to watch China's traditional Peking opera. In this regard, he is a "fan" of national culture. He was particularly fond of the Yan School for playing the "xusheng" role and the Cheng School for playing the "qingyi" role. He learned to play bridge when he came to Chongqing after commanding the troops in Southwest China.

Deng Xiaoping was married three times in his life. His first wife, Zhang Xiyuan, was his schoolmate at Moscow's Sun Yat-sen University. In January 1930, Zhang died of puerperal fever when she was only 24, and their child also died during the birth. Deng's second wife was Jin Weiying, who was called A Jin. In 1933, A Jin left him when he was wrongly criticized within the party.

Deng Xiaoping's third wife is Zhuo Lin. Her original name was Pu Qiongying and she was born in 1916 into a businessman's family in Xuanwei County, Yunnan Province. In 1932, she entered Beijing's First Girls' Secondary School. In 1936, she passed the enrollment exam with excellent results and entered Beijing University's Physics Department. In the late summer of 1939, Zhuo Lin was introduced to Deng Xiaoping and became acquainted with him, but she only knew that Deng was a veteran of the Red Army and a general in the war against the Japanese aggressors. She did not know anything else about him. One evening in early September 1939, in front of Mao Zedong's cave dwelling in Yanan's Yangjialing, they held a simple wedding. All senior central leaders, including Mao Zedong and his wife Jiang Qing, Liu Shaoqi, Zhang Wentian and his wife Liu Ying, Bo Gu, and Li Fuchun and his wife Cai Chang attending the wedding, but Zhou Enlai could not come because he was wounded and was receiving medical treatment. At that time, Deng Xiaoping was 35, and Zhou Lin was 23.

Xiao Rong told several stories about Deng Xiaoping's military career, in the chapter entitled "Marching One Thousand Li Into the Dabie Mountains." The stories demonstrate Deng Xiaoping's strict style of commanding troops and his high sense of organization and discipline. One story was about the "no-hand-shaking meeting." In March 1947, the Army group commanded by Liu Bocheng and Deng Xiaoping launched a campaign in southwest Shandong after crossing the Huang He. Some units became arrogant after winning a battle and relaxed their discipline. After the campaign, a meeting of senior cadres was held, and the participants all beamed with satisfaction, thinking that they would be commended by Deng. Beyond their expectations, Deng Xiaoping entered the meeting place and said directly: "Today, at this meeting, I will not shake hands with you. I do not want to make you think that I am going to forgive you because you won a number of battles."

#### Deng Xiaoping Writes Name for Shanghai Bridge

OW3107045893 Shanghai JIEFANG RIBAO in Chinese  
24 Jul 93 p 1

[Text] After writing the bridge name for the Nanpu Bridge, Comrade Deng Xiaoping wrote the bridge name for the Yangpu Bridge, which will be completed and opened to traffic soon; this was announced by Hu Wei, vice chairman of the Pudong New Area Administrative Committee, at a ceremony held yesterday for signing letters of responsibility for reaching the targets of small area development in Pudong in 1993. The bridge name written by Comrade Xiaoping for the Nanpu Bridge was

written horizontally, and the name for the Yangpu Bridge was written vertically. The public will be able to see the Yangpu Bridge name—each character measures more than 3 meters in width—when the bridge opens on this year's national day.

### **Fifth 'Pen Talk' on Studying Deng Theory**

*HK0208063493 Beijing RENMIN RIBAO in Chinese  
26 Jul 93 p 5*

["Pen Talk on Arming the Whole Party With Comrade Deng Xiaoping's Theory of Building Socialism With Chinese Characteristics" by Qiong Wen (8825 2429): "On External Conditions of Socialist Construction—Fifth in a Series of Articles on Studying Comrade Deng Xiaoping's Theory of Building Socialism With Chinese Characteristics"—this article is provided by the Hainan Provincial CPC Committee; Part Four was published in the 23 July China DAILY REPORT, pages 15-21]

[Text] The question of external conditions for socialist construction constitutes an important part of the theory of building socialism with Chinese characteristics. Comrade Deng Xiaoping keenly grasped the pulse and opportunity of the development of the times, proposed that "peace and development are the two major topics in the world today," and readjusted China's diplomatic policies based on this. Developing fine external conditions for building socialism with Chinese characteristics, the theory has also made creative theoretical contributions to the development of Marxism-Leninism-Mao Zedong Thought.

### **Peace and Development Are Two Major Topics in the World Today**

The period from the early 1900's to the end of 1960's was one of wars and revolution. During those years, socialism was either facing wars or blockade and encirclement by Western imperialism. However, the world situation took a turn following the 1970's; namely, a change from confrontation to dialogue and from tension to relaxation. Since the Third Plenary Session of the 11th CPC Central Committee, Comrade Deng Xiaoping has applied his extraordinary insight and the experience of rich political struggle to profoundly analyze the world situation. He pointed out on numerous occasions that there are two problems in the world today; that is, peace and development. These are the "genuine, major and global strategic issues in the contemporary world." They have become the two major topics in the world today.

Comrade Deng Xiaoping's exposition was a scientific judgment of the international situation after the 1970's. First, the growth in the force of peace outstripped that of war. The people of the world hated wars and loved peace. The government and people of many countries, the United Nations, and other international organizations launched large peace movements on numerous occasions, resolutely calling for peaceful settlement of international disputes and strongly demanding prohibition and destruction of nuclear weapons. The rapidly growing

Third World nations and people united in cooperation and became an essential force in opposing hegemonism and power politics and safeguarding world peace. The accumulation of nuclear weapons increased the devastation of wars on the one hand and became an important factor containing the outbreak of a nuclear war on the other. For this reason, wars can be avoided and a relatively long period of peace can be attained. Although partial conflicts and regional wars may continue to exist, on the whole, peace has become the main trend in the world today. Second, the topic of development, namely, the economic issue, has become increasingly prominent. It has become the strong demand of people of all countries for national development, social progress, economic prosperity, and improved living standards. The focus of international competition has also shifted to matching comprehensive national strength based on a country's economy, science, and technology. On the question of economic and social development, however, all countries, without exception, are facing numerous difficulties, including many major global issues. Hence, countries with different social systems and development levels place their economic and social development problems in the primary position. While doing their best to boost the national economy, they have paid particular attention to foreign economic relations and international economic cooperation, striving to merge their development with that of the world economy. This determines that the topic of development is not a problem of a certain nation or region. Instead, it is a global strategic issue and another major trend in the world today. Third, peace is closely related to development. Development needs peace, while the latter cannot be divorced from the former. Relatively speaking, development, namely, the North-South issue, is the core of the two major topics because mankind cannot maintain true world peace in the international environment characterized by starvation, recession, and polarization. In the world today, the developed nations of the North are becoming richer, while the developing nations of the South are becoming poorer. Unless the North-South issue is settled, it will seriously affect the normal operation of the world's economic system as a whole. The widening gap between the economies of the North and the South and the deterioration in their economic and political relations will inevitably increase the instability of the world. The world today is at a historical stage undergoing tremendous changes. Polarization has come to an end, and the world is developing toward diversification. Instead of changing, such a development of the international situation has further stepped up the two major topics of peace and development.

### **Pursuing an Independent, Peaceful Diplomatic Policy**

Under historical conditions with peace and development as the theme of the times, our party laid down in 1978 the policy of wholeheartedly carrying out economic

construction and at the same time formulated an independent, peaceful diplomatic policy; strove for a favorable international environment for construction at home; and contributed to pushing forward peace and development in the world.

**It is the basic target of China's diplomatic policy to safeguard China's independence and sovereignty and to promote world peace and development.** The Chinese people extremely cherish the rights of independence won through long-term struggles. On matters of national interest and state sovereignty, we will never yield to any outside pressure. No foreign country should expect China to become their appendage or expect China to swallow the bitter fruit which damages the country's interests. China is a resolute force for maintaining world peace. China will never form an alliance with any country or group of countries, never join any military bloc, and never seek hegemony. Meanwhile, China is resolutely against hegemonism, power politics, aggression, and expansionism of every description. While handling international affairs, China strictly abides by the UN Charter and generally acknowledged standards for international relations and sticks to its position of seeking truth from facts and upholding justice.

**The Five Principles of Peaceful Coexistence are the basic rules for handling state-to-state relations.** The five principles of mutual respect for sovereignty and territorial integrity, mutual nonaggression and noninterference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence form an organic whole. It goes beyond differences in social system and ideology, conforms to the purpose and principles of the UN Charter, and reflects the fundamental interests and demands of all countries, developing countries in particular. China wants to establish and develop ties of friendship and cooperation with all countries, its neighbors in particular, based on the Five Principles of Peaceful Coexistence. Differences in social systems and ideologies should not become obstacles to the development of state-to-state relations. In international contacts, we will never impose our social system and ideology on others or allow others to impose theirs on us. As China is a developing country, strengthening unity and cooperation with Third World countries is the basic standpoint of its foreign policy. Moreover, the CPC also attaches great importance to its ties with the political parties of all countries. In light of the principles of independence, complete equality, mutual respect, and noninterference in each other's internal affairs, and in line with the spirit of seeking common ground while reserving differences, the CPC intends to increase mutual understanding with the political parties of all countries and establish and develop relations of friendship and cooperation.

**We have proposed and vigorously advocated the establishment of a peaceful, steady, just, and reasonable new international political and economic order based on the Five Principles of Peaceful Coexistence.** The basic content of the new international order includes: In light of their specific national conditions, the people of a country

have the right to choose independently the social system and development road suited to their national conditions; countries, big or small, rich or poor, may take part in international affairs as equal members of the international community; all countries should respect each other, seek common ground while reserving differences, treat each other equally, and get along in a friendly manner; differences and disputes between countries should be settled peacefully through consultations in accordance with the UN Charter and international law and no country should resort to force or armed threat; no country should seek hegemony or pursue power politics; and reforming the old international economic order and replacing it with a just and reasonable new international economic order based on equality and mutual benefit. Undoubtedly, such a new international order will promote world peace and development.

Under the correct guidance of an independent and peaceful diplomatic policy over the past decade or so, China has made tremendous achievements in diplomatic work. Besides establishing good neighborly and friendly relations with the surrounding countries, China has further consolidated and strengthened unity and cooperation with the vast numbers of the developing countries and improved and developed ties with all other countries, including the Western developed countries based on the Five Principles of Peaceful Coexistence. Practice has proved that pursuing an independent peaceful diplomatic policy is a major event which conforms to the interests of the Chinese people and the world at large.

#### **Unswervingly Implement the Policy of Reform and Opening Up**

Under the objective historical conditions where peace and development have become the main topics of the world today, unswervingly implementing the policy of reform and opening up in all directions and constantly strengthening exchanges and cooperation with other countries in the fields of economy, trade, science, technology, and culture constitute an important part of the independent and peaceful diplomatic policy pursued by China and is also the way to make the country powerful. For this reason, Comrade Deng Xiaoping has stressed time and again: "This is a major policy." This policy will remain unchanged from now to the middle of the next century. If a change is necessary, the country will open itself wider to the outside world.

Opening up to the outside world has been one of China's national policies which will remain unchanged for a long time to come because: **First, it is the summary of historical experience and lessons.** We can see from a review of history that the closed door policy was an important reason China was backward and remained at a standstill for a long time. Following the PRC's founding, we had intended to open the country to the outside world. But we did not have the conditions at that time as China was blocked by other countries. Later, the "gang of four" regarded everything we did as "worshipping things foreign" and "national betrayal," which isolated China



from the world. As we had to carry out construction with the door almost shut, the gap between China and the world's economic development level widened. Now we have an international environment better than that of the past, which can enable us to absorb advanced world scientific, technological, and management experience and attract foreign capital. If we do not want to lag behind, we must have a firm grasp of the favorable international environment and unswervingly implement the open policy. **Second, it is the objective demand of reality.** The world today is an open one and internationalization of the economic life of all countries has become a conspicuous characteristic of the economic development of the current world. International divisions of labor and the world market have brought almost all countries and regions into the global economic network. Economic development of a country is determined by its own economic conditions as well as, to a great extent, by the effective utilization of international economic conditions which include international resources and advanced world scientific, technological, and management experience. No country will succeed in construction with its doors closed. Therefore, this objective reality of the world's economy has determined that China's development cannot be separated from that of the world. To seek development, China must take the road of opening up to the outside world. **Third, it is the necessary condition for accelerating the socialist modernization program and realizing the lofty aspirations of the Chinese nation.** Comrade Deng Xiaoping said: For the Chinese nation to take off, we should not only have the first lofty aspiration of quadrupling the 1980 gross industrial and agricultural product by the turn of the century, but also have the second lofty aspiration of using 50 years of the next century to catch up with the level of the developed nations. However, China is a socialist country with a large population and relatively weak economic and cultural foundations, capital shortages, backward technology and management, and insufficient resources. Therefore, only by implementing an open policy can we realize these two aspirations. Otherwise, our strategic objective will fall through. Independence and self-reliance are the basic guiding principles for China's modernization program so we must always have a foothold on relying on our own efforts. However, independence does not mean seclusion, and self-reliance does not mean blindly rejecting everything foreign. Conversely, opening up can better increase our independent and self-reliance capability. **Fourth, opening up to the outside is an inevitable extension of opening up to the inside.** Opening up to the outside is internally linked to opening up to the inside. On the one hand, opening up to the outside is the indispensable external condition for opening up to the inside. On the other hand, opening up to the inside means a change from small production to socialized mass production and from a planned economy to a market economy. Such a development will inevitably result in all-around opening up to the outside and eventually merging China's economy with the world's economic system.

As the chief designer of China's reform, opening up, and the modernization program, Comrade Deng Xiaoping also proceeded from practice and made comprehensive expositions of the specific contents and steps of opening up in connection with China's national conditions and long-term economic development strategy. 1) Opening up to the outside is all-directional; namely, to the developed as well as developing nations, to socialist as well as capitalist countries, and to all countries and regions. 2) Opening up has various forms, which include vigorously developing foreign trade, importing advanced technology, rationally using foreign capital, developing external cultural exchanges, and assimilating all knowledge and culture useful to us. The purpose is to consolidate and develop socialism. Comrade Deng Xiaoping said: "In order to win comparative superiority over capitalism, socialism must boldly absorb and make use of all civilized achievements created by human society, absorb and make use of the advanced operation and management means of all countries, including the developed capitalist countries, which reflect the laws of modern mass socialized production." 3) Opening up refers to gradual opening up of regions in various layers. Comrade Deng Xiaoping proposed the tentative idea of establishing special economic zones in April 1979. He again proposed turning Hainan Island into a bigger special economic zone in 1984. Establishing special economic zones is a major step taken by China in opening up. It is also a brand new experiment conducted to use foreign capital, technology, and managerial experience to develop socialism. Therefore, it is the first layer of opening up. In early 1984, Comrade Deng Xiaoping proposed further opening up the coastal port cities, which was the second layer of opening up aimed at spreading the experience of the special economic zones to the hinterland and bringing along the opening up and development of the interior. In light of Comrade Deng Xiaoping's strategic idea, the CPC Central Committee and State Council decided in February 1985 to turn the Zhujiang delta, Chang Jiang triangle, and southern Fujian triangle into open economic zones, and decided in 1988 to open the Liaodong and Shandong peninsulas to the outside world, which formed a Bohai open zone when linked to cities of Tianjin, Qinghuangdao, Dalian, Yantai, and Qingdao, which were opened up earlier. As the hinterland and support of the special economic zones and open cities, it is the third layer of opening up. In light of Comrade Deng Xiaoping's opinions, the CPC Central Committee again decided in 1992 to develop and open up Shanghai's Pudong New District. Guided by the spirit of Deng Xiaoping's important talks made during his southern trip in 1992, the CPC Central Committee and State Council decided to further open the cities along the border, rivers, and highways (Euroasian continental bridge) to the outside world. A structure of opening up, which includes different regions and layers of opening, which have different functions, and which spreads gradually from the coastal areas to the interior, has taken shape.

Unswervingly implementing the policy of opening up will never lead to capitalism. In the final analysis, opening up is aimed at using the advanced and civilized achievements of all countries, including the developed capitalist countries, to promote and develop socialism. So long as we consistently uphold the principle of independence and self-reliance and adhere to the fundamental system of socialism, there will be a fundamental guarantee for opening up to serve the general orientation of socialism. The predominance of socialism will not be undermined. Opening up will bring forth some decadent capitalist things, but there is nothing to be afraid of. Compared with the positive effect of making the most of opening up to accelerate economic development, the negative factors are insignificant. So long as we keep sober-minded, unswervingly strengthen the building of socialist spiritual civilization, and overcome the practice of "being tough on one hand and soft on the other," the "flies" and "mosquitoes" which have entered together with opening up will not affect our work. At present, we are facing the best opportunity for great development. We should have a sense of urgency and seize the opportunity and have a sense of historical responsibility and cherish the opportunity. We should adopt a scientific attitude to utilize the opportunity, emancipate the minds, seek truth from facts, strive to carry out the coastal economic development strategy, accelerate the pace of opening up of the border and interior provinces, and make greater progress in effectively using foreign capital, importing advanced technology, and inviting qualified personnel. We should earnestly study and use the good foreign experience and market economic operation methods, accelerate the change effected in the government's functions, speed up the supporting reforms, step up the reform of the foreign trade system, establish as quickly as possible a new foreign trade system which conforms to international standards and China's national conditions, and expedite the pace of merging China's economy with the world economic system so that opening up will play a greater role in the great practice of building socialism with Chinese characteristics.

#### **Luo Gan Addresses Institutional Restructuring**

OW3107042993 Beijing XINHUA Domestic Service in Chinese 1101 GMT 21 Jul 93

[By Central People's Broadcasting Station reporter Liu Zhenying (0491 2182 5391), RENMIN RIBAO reporter Zhai Qiyun (5049 0796 6663), and XINHUA reporter Hu Qinghai (5170 3237 3189)]

[Text] Beijing, 21 Jul (XINHUA)—A national work conference on institutional restructuring opened in Beijing today. Hu Jintao, member of the Standing Committee of the CPC Central Committee Political Bureau, told the meeting: As a strategic move that concerns socialist modernization as a whole, institutional restructuring is a pressing task for reforming the political structure, as well as an important condition for deepening economic restructuring, establishing a socialist

market economy, and accelerating modernization; it also reflects a realistic need of resolving contradictions and problems arising amid our present course of advance. We should acquire a full understanding of the importance and urgency of institutional restructuring in light of its position and function in the overall structure of China's reform, opening up to the outside world, and modernization.

Convened upon the approval of the CPC Central Committee and the State Council, the main tasks of the meeting are to implement the central authorities' "Program for Institutional Restructuring in the Party and the Government" and "Opinions on Implementing the Program for Institutional Restructuring in the Party and the Government," to work out specific steps and requirements in institutional restructuring at various levels; and to study some policy-related issues in institutional restructuring.

Hu Jintao presided over the meeting and read a letter from Premier Li Peng to the meeting. At the meeting, Luo Gan, state councillor and vice chairman of the Central Committee on the Establishment of Organizations, made a report entitled "Comprehensively Advance Local Institutional Restructuring To Suit the Development of a Socialist Market Economy."

Luo Gan said in his report: Having entered the stage of full implementation, institutional restructuring for the CPC Central Committee and the State Council is now progressing smoothly and expected to be completed by the end of the year. Institutional restructuring at various local levels also will enter the implementation stage.

He said: The purpose of the institutional restructuring is not simply to abolish or merge organizations and to increase or reduce personnel, but to really bring about a change of government functions, rationalize relationships, simplify administration, and improve efficiency in accordance with the principle of separating government from enterprise functions and improving efficiency through streamlining and integration to serve the goal of establishing a socialist market economy. Without substantive progress in changing government functions, it will be difficult to change enterprise operating mechanisms, set up a market system, and establish organizations and appoint personnel in a rational manner. We must take a firm grasp of, and allow no delays in the change of government functions, which have an especially important role in restructuring. All localities should take specific measures to fulfill the task of changing administrative functions in accordance with the requirement of developing a socialist market economy and in light of special characteristics at each administrative levels.

Luo Gan said: During restructuring, it is also necessary to earnestly rationalize the relationship between central and local authorities, as well as among local organs at different levels, centralizing necessary functions as well as decentralizing those deemed appropriate.

He said: We should vigorously streamline organizations and personnel after changing government functions and rationalizing relationships. The proportion of personnel reduction for local organizations at all levels is set at around 25 percent. To do a good job in streamlining, cities, counties, and townships will be classified in this restructuring according to the size of their population and area and the level of their economic development, as well as other factors. On the basis of this classification, the scale of establishing organizations and the size of their personnel will be decided; and all decisions will be strictly enforced. It is necessary to persist in and strive to fulfill the hard-figure target of the streamlining task set by the CPC Central Committee and the State Council.

He said: Institutional restructuring should be carried out in conjunction with reforming cadres' personnel and wage systems. Only after the functions, organizational structure, and size of institutions and departments at all levels are decided upon can a national system of public service be implemented and the wage system be reformed according to unified rules.

Discussing various circumstances and problems occurring during institutional restructuring, Luo Gan said: Government departments-turned-corporations, which can lead to further integration of government administration with enterprise management and can aggravate the abuse of power, are very detrimental to changing enterprises' and government functions' operating mechanisms and to establishing a socialist market economic system; and they can also undermine the efforts of all institutions and their functionaries to perform duties honestly and forge close ties between the party and government and the masses. All localities should take an unequivocal stance and adopt effective measures to clamp down on government departments-turned-corporations. Government administration should be stringently separated from enterprises; and government departments-turned-corporations should absolutely not be allowed to exist.

He said: All localities should take practical and effective measures to properly resettle surplus office personnel. Local party and government organization cadres at all levels are invaluable party and state assets. In the course of institutional restructuring, we should endeavor to streamline and resettle surplus personnel in the light of expanding productive forces, helping office personnel resettle mainly in the frontlines of productive, service, and grass-roots sectors, and directing a rational flow of personnel through various channels and at different levels, so as to bring into play their wisdom and talent, harness their enthusiasm, and enable them to become a fresh force in the modernization drive.

He emphasized: To ensure the smooth progress of institutional restructuring, all competent authorities should not interfere with, in any form, the establishment of local organizations and appointment of personnel. All local governments should not expand the authorized size of organizations and rush to promote cadres without approval; they should neither partake of money and assets

nor use public funds to go on domestic and foreign trips under any pretext. Violations, once verified, will be severely dealt with.

Luo Gan said: To complete the task of institutional restructuring within three years, time is rather pressing. Local party committees and governments at all levels should enhance their sense of urgency and responsibility and actively promote reform in a guided and orderly manner.

Song Defu, member and concurrently director of the Central Committee Office on the Establishment of Organizations, and responsible persons of the committees on the establishment of organizations in all provinces, autonomous regions, municipalities, and cities with independent economic authority, as well as official of all central departments and commissions concerned, attended the conference.

### Reportage on Vice Premier Li Lanqing Addresses

#### Addresses Antismuggling Group

OW3107104793 Beijing XINHUA Domestic Service in Chinese 1117 GMT 21 Jul 93

[By Central People's Broadcasting Station reporter Tian Shanchuan (3944 1427 1557) and XINHUA reporter Chen Yun (7115 5366)]

[Text] Beijing, 21 Jul (XINHUA)—In order to strengthen its leadership in the nationwide antismuggling struggle, the State Council recently decided to reorganize the former National Coordination Group for Cracking Down on Smuggling into the National Leading Group for Cracking Down on Smuggling, headed by Vice Premier Li Lanqing, member of the CPC Central Committee Political Bureau. Li Lanqing presided over the leading group's first full meeting today. He stressed that we should understand the importance and urgency of the antismuggling struggle from the high plain of struggling against corruption, promoting a clean administration, and strengthening both party and political power building. We should strengthen our leadership, coordinate our actions, strictly enforce laws and discipline, and mobilize forces from all sides to resolutely quash rampant smuggling in order to ensure a sustained and healthy development of our country's reform, opening up, and modernization.

At the meeting, Li Lanqing pointed out: Over the past years the country has achieved notable results nationwide in the antismuggling struggle with the unified organization and coordination of the National Coordination Group for Cracking Down on Smuggling. We have severely cracked down on smuggling. However, our current antismuggling tasks are still very arduous, and we must not underestimate the harm caused by smuggling to our political, economic, and social environment. We must further establish a sound leadership responsibility system at all levels to continuously crack down on smuggling under the leadership of the party Central Committee and the State Council. In particular, we must eliminate resistance and must severely punish



in accordance with the laws smugglers who engage in collusion, law enforcers who violate the law, and criminal elements who cause serious harm by applying dirty tricks. Meanwhile, we should comprehensively and simultaneously apply legal, administrative, economic, and educational means to stop the evil smuggling trend for fostering a spirit of righteousness and for inspiring the people.

Li Lanqing pointed out: To crack down on smuggling, we must not only block activities on sea and in ports, but also vigorously implement comprehensive control measures. In particular, we must perfect the legal system, establish an efficient market system, resolutely crack down on trading of smuggled goods, and cut off sales channels for smuggled goods. We must effectively carry out investigations into major criminal cases. Meanwhile, we must vigorously investigate the enforcement of antismuggling laws. The emphasis of our investigation is to check cases where laws are not fully observed or strictly enforced, where punishments and taxes are replaced by fines, and where antismuggling regulations are violated.

Li Lanqing said: To strengthen the antismuggling struggle, we urgently need strong law enforcement teams. We must vigorously strengthen ideological construction, the construction of a healthy work style, and the organization of law enforcement teams as well as continue to upgrade their fighting power.

#### Addresses Educational Reform

OW3107153993 Beijing XINHUA in English 1521  
GMT 31 Jul 93

[Text] Beijing, July 31 (XINHUA)—Li Lanqing, a member of the Political Bureau of the Central Committee of the Communist Party of China and vice-premier of the State Council, called here today for an increased pace of educational reform.

During an informal discussion with cadres, teachers and students from Qinghua University, Li stressed that it is necessary to further promote educational reform, seriously study the problems in such reform and seek practical measures.

Li said he appreciated the great contributions of Qinghua University has made in training technical personnel for the country's development, and that he hoped the university would set the pace for all other schools of higher learning in accelerating the reform of the educational system.

Li pointed out that a socialist market economy needs large numbers of administrative and management personnel knowledgeable about economics, technology, industry and trade. He urged schools of higher learning to readjust their syllabuses to meet the needs of the market economy.

However, he added, it is necessary to avoid pragmatism and not neglect the major subjects and basic branches of learning which are needed in the long-term interests of the state and society.

On administration within the schools of higher learning, the vice-premier urged the setting up of a social service system so as to reduce the burden on the schools and let them concentrate their efforts on teaching and research.

Li also encouraged inter-school exchanges, and international academic exchanges and co-operation.

#### Tian Jiyun Attends Cremation Ceremony of Gan Ku

OW3107081193 Beijing XINHUA in English 0756  
GMT 31 Jul 93

[Text] Nanning, July 31 (XINHUA)—The body of Gan Ku, vice chairman of the Standing Committee of the Eighth National People's Congress (NPC), who died on July 25, was cremated this morning in Nanning city, capital of the Guangxi Zhuang Autonomous Region.

Gan is also a former chairman of the regional people's congress standing committee and a former vice chairman of the regional government of this southwest China ethnic autonomous region.

Tian Jiyun, vice chairman of the NPC Standing Committee and member of the Politburo of the Chinese Communist Party's Central Committee, went to the Nanning burial home to pay the last tribute to Gan on behalf of the party Central Committee, the NPC Standing Committee and the State Council.

During his final days in hospital, Gan received greetings through telephone or telegraph from party and state leaders Jiang Zemin, Li Peng, Qiao Shi, Li Ruihuan, Zhu Rongji, Liu Huaqing and Hu Jintao.

Gan was born into a family of Zhuang nationality in Qu Jiu town of Fusui County in Guangxi in January 1924.

He joined the party-led armed struggle against the Kuomintang regime in June 1947 and became a party member one month later. He participated in 40-odd battles against the Kuomintang troops.

During the period 1950-1976, Gan worked mainly in county and prefectural-level positions, and from 1976 to 1979, he was director of the regional Water Resources and Power Bureau.

From 1979 to 1985, Gan worked concurrently as a vice chairman of the regional government and director of the Water Resources and Power Bureau. And from 1985 to January of this year, he was chairman of the regional people's congress Standing Committee.

Gan was elected a vice chairman of the NPC Standing Committee at the Eighth National People's Congress convened early this year.

Gan has been highly praised for his role in promoting the local economy and ensuring political stability in Guangxi in the years he was holding regional positions.



### Supreme Procuratorate Issues Circular on Fees

OW3107051293 Beijing XINHUA Domestic Service in Chinese 0808 GMT 19 Jul 93

[Text] Beijing, 19 Jul (XINHUA)—The Supreme People's Procuratorate recently issued a circular calling for resolutely stopping the practice of indiscriminately charging fees and imposing fines by abusing procuratorial powers.

The Supreme People's Procuratorate pointed out in the circular: Since the second half of last year, a few procuratorial personnel in some grass-roots procuratorial organs have been found to have abused their offices and violated laws and policies by indiscriminately charging fees and imposing fines under various pretexts while working on certain aspects of procuratorial work. Some of them have collected "fees for preliminary investigations into cases" and "fees for assisting in investigations." Others have collected "fees for accepting cases" when handling appeals. Some have asked for "procedural fees," "fees for providing assistance and guidance," or "cash deposits" from individuals whose cases have been dropped or who have been exempted from indictment or released on bail for medical treatment. A few procuratorial personnel have even merely imposed fines where arrests and indictments are more appropriate. Although the practice of indiscriminately charging fees and collecting fines has only occurred in some procuratorial organs and among a few personnel, it has adversely affected the fair and clean image of procuratorial organs. The practice reflects corruption within the procuratorial ranks as a result of "money worship" under the new situation; it is contrary to the nature of state organs in charge of legal supervision, it is completely erroneous, and it must be forcefully stopped and corrected.

The Supreme People's Procuratorate urged: Procuratorial organs at all levels should conscientiously study and implement the guidelines of the national symposium of chief procurators and reconcile all cadres and policemen, ideologically and conceptually, with the need to strictly enforce laws and resolutely handle cases. We should fully recognize that the practice of indiscriminately charging fees and collecting fines has not only affected strict law enforcement, but also has marred the image of procuratorial organs and seriously corroded the procuratorial ranks. We should conscientiously conduct inspections to redress and stop this unhealthy trend. Procuratorates at the provincial level and their branches, as well as those at the prefectural and city levels, should launch fact-finding investigations to realistically obtain a clear idea of the situation in their subordinate organs. If the practice of indiscriminately charging fees and collecting fines does exist, procuratorates should first investigate, report on, and rectify the irregularities by themselves; they should seriously deal with these irregularities and return the money as soon as possible. If they cannot return the money immediately, they should work out plans for gradually returning the money.

The circular points out: The discipline inspection and supervision departments of procuratorial organs at all levels should strengthen supervision and inspections. They should strictly investigate and punish individuals who

withhold the truth, make fake reports, or even persist in their errors. If the circumstances are serious, they should determine the responsibility of leading cadres. Procuratorial organs at all levels, some grass-roots procuratorates in particular, do face such problems as cash shortages, harsh conditions, and low pay. Leading cadres at all levels should take the initiative in reflecting these problems to local party and government departments, and gain support from them. They should never allow procuratorial personnel to use these problems as an excuse to indiscriminately charge fees and collect fines.

### Commentator Urges Strengthening Discipline

HK3007150893 Beijing LIAOWANG in Chinese No 27, 5 Jul 93 p 3

["Liaowang Forum" by staff commentator: "Take the Interests of the Whole Into Account; Strictly Observe Discipline"]

[Text] China is now in a crucial period of socialist modernization construction and the establishment of a socialist market economy structure. Judging from the national situation as a whole, the national economy is developing at a relatively high-speed, and marked progress has been made in intensifying reform and opening up wider to the outside world. The general situation is very good. But some new contradictions and problems have also emerged, which have to be resolved as soon as possible. Under this situation, it is especially necessary for us to take the interests of the whole into account and strictly observe discipline so that the whole nation can take concerted actions, continue to blaze new trails and advance, and develop the current good situation.

Since the policy of reform and opening up was adopted, the powers of the central and local authorities have been divided rationally. Many powers have been delegated to local authorities. In the allocation of resources, the method of planned allocation has been gradually changed and market mechanisms have begun to play the main role. The appearance of this new situation does not mean that the sense of taking the interests of the whole into account has been weakened. Rather, it means that this sense should be strengthened. This is because that both the central and local authorities, both the parts and the whole, and all localities are related to each other. Without a good overall situation, there cannot be a good situation in the parts either. To establish a socialist market economy structure means to establish a large unified market, in which there is fair competition and a meticulous division of work. It does not mean establishing an economic structure of "rival principalities." Therefore, we are required to have a stronger sense of considering the situation as a whole.

To take the interests of the whole into account, various localities must, first of all, have a good sense of considering the situation as a whole when working out their development plans and reform measures. When considering the work of their localities and departments, they must take into consideration the overall situation of reform and

development of the whole nation. For example, communications and energy are the "bottleneck" of our national economic development. When working out development plans for their own regions, localities must not merely give priority to the development of processing industries to the neglect the needs of optimizing the industrial structure of the whole nation. They must make contributions to strengthening the weak links of the national economy as a whole. Otherwise, even when processing industry has developed in a region, it cannot operate smoothly and achieve good economic returns.

To take the interests of the whole into account, it is necessary to pay attention to the general trend of economic operation and study and to resolve major contradictions in the nation's economic operation and major problems concerning the overall situation. At present, regarding the general trend of economic operations, all localities must strive to achieve synchronous growth of both speed and returns and prevent an overheated economy and fluctuations. Economic problems concerning the overall situation include the problem of promoting a steady development of agriculture and the problem of intensifying economic structural reform, especially reform to change the operational mechanisms of enterprises, reform of the investment management system, and reform of the financial and tax system. If these problems are not resolved in good time, they will become obstacles in our way of advance, which will not only affect overall economic operations, but also the economic development of various localities and departments. We can do a good job in these fields only when we have made concerted efforts under the unified arrangements and leadership of the central authorities.

For this reason, we must develop the fine tradition of the CPC: The needs of the part is subordinate to the needs of the whole, and the entire membership is subordinate to the Central Committee.

Comrade Mao Zedong said in 1938: "The communists must grasp the principle of subordinating the needs of the part to the needs of the whole. If a proposal appears feasible for a partial situation but not for the situation as a whole, then the part must give way to the whole. Conversely, if the proposal is not feasible for the part but is feasible in the light of the situation as a whole, again the part must give way to the whole." This principle played an important role during the War of Resistance Against Japan and the War of Liberation. In 1947, when the main force led by Liu Bocheng and Deng Xiaoping pressed onward to the Dabieshan area, judging from the partial situation, they had suffered great losses, but judging from the overall situation, as the war situation had thus been changed, the War of Liberation had entered a new stage of great counteroffensives.

Today, in a period of reform and opening up and a period of great economic development, the interests of the part and the interests of the whole coincide in most cases. However, to really regard agriculture as the foundation of the national economy, handle well the relations between

speed and economic returns, and carry out effective management of investment and financial affairs, it is necessary to foster the idea of being subordinate to the interests of the whole and to correctly handle relations between the whole and the part, long-term interests and immediate interests, central and local authorities, and the collective and the individual. In these four sets of relationships, in case of any conflicts, the latter should be subordinate to the former.

China is a developing country with a vast territory. Development is uneven among various provinces, municipalities, and autonomous regions, especially between the eastern and western regions. Under such circumstances, it is necessary to encourage the spirit of mutual help and assistance and the idea of taking the interests of the whole into account. If each only pays attention to its own development, there will not be a situation of unity and common development.

With the further intensification of reform and opening up wider to the outside world, the vessel of China is now entering a stormy deep sea area on its way to modernization. It is all the more necessary for us to further develop the good traditions of strictly observing discipline and subordinating the entire membership to the Central Committee and to overcome the phenomenon of each going his own way. Since the beginning of this year, the party Central Committee and the State Council have promulgated many documents on the agricultural issue, urging a halt to the practice of indiscriminately collecting funds and rectifying the financial order. At the same time, a series of policies and measures have been adopted, which are necessary and imperative to further develop the good economic situation. So long as the whole nation strictly observes discipline and conscientiously implements these policies and measures, good results will surely be achieved. If orders and prohibitions are not strictly and faithfully enforced and, instead, "countermeasures" have been taken against the policies and measures of the central authorities, the good situation may be disrupted. At present, it is our pressing task to strengthen macroeconomic management. Thus, we are all required to observe discipline strictly so that orders and prohibitions can be strictly enforced and good results can be achieved. In this sense, strictly observing discipline is also a requirement of establishing a socialist market economy structure.

"With the sense of discipline growing stronger, the revolution will be ever victorious." Today, in the crucial period of intensifying reform and economic development, by strengthening a sense of discipline throughout the party and the nation, our reform and economic development will also surely be invincible.

#### Article Discusses 'Underground Publications'

HK3007143293 Hong Kong WEN WEI PO in Chinese  
29 Jul 93 p 6

["Special article" dispatched from Shanghai on 28 July by Shanghai-based staff reporter Liu Chun (0491 5028): "'Underground Publication' as Viewed From the Zhou Jie Case"]

[Text] The whole truth of the lawsuit between celebrity mainland dancer Zhou Jie and the Qinghai People's Publishing House finally came out a few days ago. Usurping the name of the Qinghai People's Publishing House, an underground book trader illegally published a book entitled *God of Lust*. On the front and back covers of the book, a picture of the head of Zhou Jie was grafted onto the body of a semi-naked girl. Unaware of the truth, Zhou Jie brought a lawsuit against the Qinghai People's Publishing House in June. As a result, the victims suffered torments from each other.

The Zhou Jie case has now gradually settled down. However, what is behind the storm—rampant “underground publications”—has attracted people's universal attention. For this reason, this reporter made a special trip to interview Wang Jianhua, a director of the Shanghai Administration of the Market for Books, Newspapers, and Periodicals, on developments on the mainland's “underground publications.”

#### Illegal Publication is Classified Into Two Categories

The magazines on the street book stands in Shanghai, which are awfully “bewitching” and use such nouns as “surprising beauty” and “rapist” as titles, are in fact mostly published by regular magazine publishers or publishing houses. Very often they carry some “flowery” articles and articles which “have the name but not the substance” and they do not belong to illegal publications. The illegal publications which are genuinely published by “underground” book traders can only be traded secretly. This trading and the publication, printing, and distribution network of illegal books has formed an integral whole.

According to Director Wang's briefing, illegal publications on the mainland at present assume mainly two forms. One is pirate editions. “Underground” book traders pirate original books using photocopier systems. Pirated books often sell well, including banned books and Hong Kong and Taiwan books, such as *Chinese Fighting Crickets* and *A Besieged City*, which appeared on book stands recently. Others are books like *The God of Lust*. They are edited, written, and printed by underground publishers themselves, and are published in the name, which they have usurped, of publishing houses in Qinghai, Xinjiang, Tibet, and other remote border provinces or are published by publishing houses whose names are invented at will. The statement of reply submitted by the Qinghai People's Publishing House to the court in response to the Zhou Jie case said that, since the beginning of this year, illegal traders and peddlers had pirated 38 kinds of books by usurping their name.

#### There is an Underground Distribution Network

Again, according to the briefing, “underground” publishers are mostly concentrated in hinterland provinces, such as Shandong and Henan. Consider a major cracked case recently for example. Following clues, customs officers tracked down a case to a certain village in Shandong and found that every household in the village lived off the

printing and publication of illegal books and periodicals. The village is a remote and extremely poor place. Customs officers and responsible local departments simply could not do anything with them.

After printing, illegal books are packed and sent to “underground” distributors in various big cities. Some are shipped to Shanghai and other places in trucks. For example, Shanghai authorities frequently seize this kind of illegal book at a small station near the city proper.

Numerous unlicensed book stands and book stands in night markets have become outlets for such books. The number of people selling books as a second jobs is no less than 10,000, among them many have close ties with “underground” distributors. They have formed a primitive distribution network. It has been reported that people engaged in the printing, shipment, and marketing of such books often have a one-way contact, calling each other by “nicknames”; thus, they do not know each other. This makes it more difficult for customs officers to crack cases.

#### It is Difficult To Put an End to Underground Publications For the Moment

While at the Shanghai Administration of the Market for Books, Newspapers, and Periodicals, this reporter personally heard telephone calls submitted to the administration by city dwellers complaining about “underground” books and periodicals. Director Wang said: Although we have tightened controls over the book market, on many occasions we feel “underground” books and periodicals are circulating too widely.

The administration is currently exclusively in charge of managing the market for books, newspapers, and periodicals. To crack down on unlicensed book stands and ban the unlawful practices of “underground” book traders, it must take action together with industrial and commercial administrations and public security personnel. In the last few years, the Administration and industrial and commercial administrations and public security organs have repeatedly launched joint operations to crack down on illegal book traders. For example, in Shanghai's Xihui District, a self-employed book peddler was recently arrested with the help of a public security “informant,” and a many pornographic books were seized.

In conclusion, Director Wang pointed out: It is unlikely that the mainland can wipe out “underground” publications completely at present. The lawsuit between Zhou Jie and the Qinghai People's Publishing House is a warning to us that we should adopt a prudent policy toward any books bearing the names of regular publishing houses to avoid repeating a case in which the victims suffered torments from each other.



## Military

### Army Paper Discusses Jiang's Military Ties

OW0208095893 Tokyo KYODO in English 0937 GMT  
2 Aug 93

[Text] Beijing, Aug. 2 KYODO—Communist Party boss Jiang Zemin has been consolidating his control over China's military in what analysts see as preparation for a transition of power after the death of paramount leader Deng Xiaoping.

Over the last three years, Jiang, considered a third-generation Chinese leader, has visited at least one military camp each month, including camps in remote areas of Tibet and Qinghai Province, Monday's [2 August] LIBERATION ARMY DAILY [JIEFANGJUN BAO] reported.

Such grass-roots visits by Jiang are widely seen as efforts to build up greater respect and relations with an Army that he has had little contact with in his previous professional life as mayor of Shanghai and minister of the electronics industry.

Jiang, who was appointed China's president this year and has also been chairman of the powerful Central Military Commission since late 1989, has been called the core of China's third-generation leadership by the octogenarian Deng and is the first leader without revolutionary experience to hold China's most important political positions.

Analysts believe Jiang will only remain in these posts if he can successfully consolidate his control over the military, curb Army factionalism and keep the country from disintegrating into warlord-backed states upon the death of Deng.

Jiang, who took over the Presidency from the powerful second-generation leader Yang Shangkun in March, is believed to have had a hand in the demotion of Yang's half-brother, Yang Baibing, last October. Yang Baibing was then the head of the People's Liberation Army (PLA) political department and had been widely suspected of empire building with his older half-brother.

Since then, Jiang is also believed to have seen to the election of 22 military officers to the 189-member central committee and the promotion of six senior military officers to the rank of general.

Monday's front-page article, printed a day after the PLA's 66th anniversary, was entitled "In His Heart Jiang Zemin Is a Soldier," and recounts his visits to meet the troops.

### Chi Haotian Addresses PLA Anniversary Event

OW0108050693 Beijing XINHUA Domestic Service in Chinese 1248 GMT 31 Jul 93

[By reporter Luo Yuwen (5012 3768 2429)]

[Text] Beijing, 31 Jul (XINHUA)—The PRC Ministry of National Defense held a grand reception at the Great Hall of the People this afternoon to exuberantly celebrate the 66th founding anniversary of the Chinese People's Liberation Army [PLA].

General Chi Haotian, state councillor and minister of national defense, chaired the reception, which opened with the "March of the PLA" played by the PLA band at 1700. Chi Haotian proposed a toast over loud applause. On behalf of the CPC Central Committee, the State Council, and the Central Military Commission, he extended warm holiday greetings to all the officers and men of the PLA and the People's Armed Police Force, reservists, the broad masses of militia, and comrades at the front of the defense technology industry! He extended his sincere greetings to veteran comrades retired from the Army, demobilized soldiers who were transferred to civilian work, wounded and disabled soldiers, and families of martyrs and soldiers! He expressed heartfelt gratitude to party organizations and people's governments at all levels and the broad masses of people for their concern and support for the Army and defense construction! He also warmly welcomed various countries' military attaches and their wives, as well as all guests present at the reception!

Chi Haotian said: The PLA continued to follow the road of building a modern, regular, and revolutionary Army over the past year. Since the 14th CPC Congress and the First Session of the Eighth National People's Congress, the new Central Military Commission has conscientiously practiced Deng Xiaoping's thinking on army building in the new era by making a series of decisions on some important issues, such as reshuffling military leading bodies, carrying forward the PLA's fine traditions, promoting administrative ethics, and determining military strategic principles in the new era, and it has made new achievements in military reform and construction.

Chi Haotian noted: Presently, the world is in a historical period of great change, and China will still proceed with its socialist modernization drive in a complicated international environment. While concentrating our efforts on promoting economic construction, we still need to strengthen defense construction and build a stronger national defense. China pursues a defensive national defense policy and adopts a military strategic principle for active defense. The PLA will perform its sacred duty of consolidating national defense, resisting aggression, safeguarding the motherland, and guarding the people's peaceful labor, as well as offer a solid and powerful security guarantee for reform, opening up, and economic construction.

Chi Haotian said: We should continue to study and implement Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the guidelines of the 14th CPC Congress, unswervingly uphold the party's basic line characterized by "one

center and two basic points," consciously subject ourselves to national needs—economic construction—resolutely embrace and support reform and opening up, actively participate in and support national construction, and play our parts in building a prosperous and powerful motherland. In compliance with Comrade Deng Xiaoping's thinking on army building in the new era, we should firmly take the road of training crack troops with Chinese characteristics. Focusing on modernization, we will strive to make military construction and reform successful, truly place education and training in a strategic position, vigorously intensify study and ideological and political work in the new era, raise the proficiency of officers and men in all fields, attach great importance to scientific research for defense purposes, gradually improve weaponry, and constantly increase our defensive and fighting capabilities under modern conditions so that the PLA will truly become a modernized people's Army that "is politically qualified and militarily tough, has a fine work style, maintains strict discipline, and is powerful in providing protection." We should make efforts to properly promote defense education; further enhance the people's defense consciousness; vigorously manage the militia and the reserve; constantly build up reserve forces for defense; launch extensive and sustained activities to support the military and give preferential treatment to military dependents and to support the government and cherish the people; and "breathe the same air, share the same destiny, and link hearts" with people of all nationalities around the country.

Chi Haotian said: Under the leadership of the CPC Central Committee and its military commission, with Comrade Jiang Zemin as the nucleus, we will carry on the party's and the Army's fine traditions; maintain Red Army veterans' glorious true qualities; display the spirit of building an enterprise through arduous effort; build the PLA into a strong as well as modern and regular revolutionary army; and make greater contributions to realizing the magnificent blueprint for China's reform, opening up, and economic and social development, as well as to fulfilling the great cause of the unification of the motherland and safeguarding world peace and stability.

Attending the reception were:

Members of the Central Military Commission: Zhang Wannian, Yu Yongbo, and Fu Quanyou;

Responsible persons of the three PLA headquarters and all large units stationed in Beijing: Li Jing, Cao Gangchuan, Zhou Ziyu, Zhou Keyu, Liu Mingpu, Zhang Bin, Li Lun, Wang Tailan, Xu Sheng, Zhang Lianzhong, Wei Jinshan, Cao Shuangming, Ding Wenchang, Yang Guoliang, Sui Yongju, Ding Henggao, Dai Xuejiang, Zhao Nanqi, Zhang Xusan, Zhu Dunfa, Li Wenqing, and Gu Shanqing. Liu Anyuan, political commissar of Nanjing Military Region, as well as Ba Zhongtan and Zhang Shutian, responsible persons from the People's Armed Police Force Headquarters;

Leading comrades from the CPC Central Committee, relevant departments of the State Council, Beijing Municipality, and the Chinese People's Association for Friendship With Foreign Countries: Li Shuzheng, Tian Zengpei, Qi Huaiyuan, Zheng Silin, Yang Yanyin, Meng Xuenong, and Han Xu;

Veteran comrades retired from the Army, former Kuomintang generals who crossed over, heroic models of troops, and representatives from the militia and families of martyrs in the capital;

General Ralahy Paul, chief of the General Staff of Madagascar's Popular Armed Forces, who was on his way home via Beijing;

General Wirot Saengsanit, deputy undersecretary of state for Thailand's Ministry of Defense; and

Military attaches from foreign embassies in the PRC and their wives.

#### Further on Chi's Address

OW3107133193 Beijing XINHUA in English 1300  
GMT 31 Jul 93

[Text] Beijing, July 31 (XINHUA)—The Chinese Ministry of Defense held a reception here today to celebrate the 66th anniversary of the founding of the Chinese People's Liberation Army (PLA).

Addressing the reception, State Councillor and Defense Minister Chi Haotian said the PLA has made "new achievements" in its reform and construction in the past year.

Since last year's 14th National Congress of the Chinese Communist Party and this year's first session of the Eighth National People's Congress, Chi said, the newly-elected Central Military Commission has made "a series of policy decisions on some major issues". These decisions were based on the thoughts of senior leader Deng Xiaoping concerning army building in the new era.

The "major issues" Chi referred to included the reshuffle of the PLA's leadership, the carrying forward of the noble traditions of the Chinese army, building a clean and honest chain of command and formulating a military strategy for the new era.

Chi noted that the world today is undergoing a historical period marked by tremendous changes, so that China's socialist modernization has to persevere in the midst of a complicated international environment.

Therefore, the defense minister said, "we must enhance our national defense and increase our defense capabilities" while concentrating on economic development.

On the other hand, Chi stressed, China pursues a defensive policy of national defense and "practices a military strategy of active defense". He added that the PLA will provide a "powerful safeguard" for China's reform, opening and economic development.

On future tasks for the PLA, Chi said the Chinese army will stick to the basic line of the Chinese Communist Party by giving full support to the country's economic construction, and reform and opening drive.

Meanwhile, the PLA will step up efforts for its own reform and construction. According to Chi, the PLA will place "strategic importance" on the education and training of officers and men in an effort to improve their overall effectiveness.

The PLA will also pay attention to raising the standards of scientific research in the area of national defense for the gradual improvement of weaponry and facilities and for the increase of the army's combat capability in modern warfare, Chi said.

As a result, he added, the PLA will build itself into a "modernized and regular revolutionary army."

Those who attended today's reception included chief of the PLA's General Staff Zhang Wannian, director of the army's General Political Department Yu Yongbo and director of the Military's General Logistics Department Fu Quanyou.

In addition, the heads of major Beijing-based Army departments and party and government officials, together with a group of Beijing-based foreign military attaches, were present.

Ralahy Paul, chief of staff of the People's Army of Madagascar, who is on a transit visit here, and Wirot Saengsanit, visiting deputy under-secretary of state of the Thai Ministry of Defense, were special guests.

#### **Liu Huaqing Article Marks PLA Anniversary**

*OW3107104493 Tokyo KYODO in English 1011 GMT 31 Jul 93*

[Text] Beijing, July 31 KYODO—China's People's Liberation Army made preparations Saturday [31 July] for their 66th anniversary with calls to build a modern fighting force based on Persian Gulf war technology.

In an article published for Sunday's anniversary, vice chairman of the Central Military Commission, Liu Huaqing warned that "the construction of China's socialist modernization will take place against a very complicated international background and it will be up to the Army to safeguard the country's territorial sovereignty and maritime rights."

The article published in the August edition of "QIUSHI" also calls on the Chinese military to heavily research the 1991 war in the Persian Gulf region, "because the Gulf war embodied the specialties of high technological warfare."

Although China's 1993 military budget was only 7.4 billion dollars, not enough money to make the necessary modernization, the figure does not take into account profits made from the 70 percent of military-owned

industries which crank out a large amount of civilian goods, nor lucrative international weapons sales.

Earlier this week, the XINHUA DAILY TELEGRAPH reported that Chi Haotian, China's defense minister, called for increased efforts to educate the masses toward a "defense awareness" to overcome "the paralysis of peace" and build an iron great wall around China.

#### **Army's Daily Urges Modernizing Armed Forces**

*OW0108024693 Beijing XINHUA in English 0231 GMT 1 Aug 93*

[Text] Beijing, August 1 (XINHUA)—The LIBERATION ARMY DAILY [JIEFANGJUN BAO], the official newspaper of the Chinese People's Liberation Army (PLA), calls for modernizing the country's Armed Forces in the new era in an editorial today.

The editorial is issued in commemoration of the 66th anniversary of the founding of the Chinese Army on August 1, 1927.

The editorial, entitled "Striving for Attaining the General Goal of Army Building in the New Era", noted that the People's Armed Forces, founded by the revolutionaries of the older-generation led by Mao Zedong, had traversed 66 years, which are the years for the Chinese nation to revitalize and to work hard and selflessly.

Noting that China has now entered into a new historical period, the editorial says that comrade Deng Xiaoping has inherited and carried forward Mao Zedong's military thought and creatively proposed a series of important views and defined the general goal for building up a modernized, standardized and revolutionary army, and led the Chinese Army to advance steadily in the course of reform; and great progress has been made.

After the convocation of the 14th Chinese Communist Party National Congress in October 1992, the party Central Committee and the Central Military Commission both with Jiang Zemin at the core of the leadership, have worked out a series of policy decisions in line with Deng Xiaoping's thinking for army building in the new era.

The editorial urges the Armed Forces to strive for achieving the general goal set by Deng Xiaoping, as is demanded by Jiang Zemin, state president, party general secretary and concurrently chairman of the Central Military Commission.

To achieve the general goal for army building in the new era, the editorial stresses, guiding thinking must be made clear, and that is to enhance the modernization building of the Army.

Moreover, the editorial calls on both officers and men throughout the Chinese Army to carry forward their fine revolutionary traditions, to battle against corruption, against hedonism, money worship and individualism.



**Xinjiang Official Cites 'Separatists' in Speech***OW0208112193 Urumqi Xinjiang Television Network in Mandarin 0140 GMT 2 Aug 93*

[From the "Xinjiang News" program]

[Text] To mark the 66th anniversary of the founding of the Chinese People's Liberation Army and to test the combative effectiveness of armed police mobile units, the Xinjiang Armed Police Corps held a grand 1 August contest of military skills in Urumqi on the morning of 1 August. The following is a report by station reporter Cao Yuxin and reporters He Ming and Hao Keming stationed at the Xinjiang Armed Police Corps:

[Video opens with medium shots of regional leaders seated in the front row of the reviewing stand, and then cuts to show troops marching in formation, fighting with bayonets and sticks, turning somersaults, dueling at close quarters, and performing a host of stunts] Leading autonomous regional Comrades Zhang Fusen, Jin Yunhui, Wang Lequan, Zhou Shengtao, Hailiqiemu Silamu, Chen Xifu, Xie Fuping, and (Mijitina Sier) attended the opening ceremony. The contest was the largest since the Xinjiang Armed Police Corps was reconstituted 10 years ago. After undergoing several reorganizations over the past 10 years, the corps' mobile units have reached a new level in turning themselves into revolutionary, modern, and regular forces. The military quality and skills of their officers and men have improved remarkably, and they have significantly upgraded their weapons and equipment. They have played the role of an iron fist and a bayonet in dealing with various contingencies. Specifically, officers and men of the mobile units were mobilized immediately after an order was issued and operated successfully in quelling the 19 May disturbance and the Balunxiang counterrevolutionary rebellion. They also performed military exploits during many disaster relief and rescue operations. Furthermore, officers and men of the mobile units, always bearing in mind the goal of wholeheartedly serving the people, have played a special role in protecting people and in fighting criminal offenses, thereby making indelible contributions to promoting prosperity and stability in the autonomous region and to fostering unity among people of all nationalities in border areas.

During the opening ceremony, Wang Lequan, deputy secretary of the autonomous regional party committee and vice chairman of the autonomous regional government, extended greetings to armed police officers and men throughout the region on behalf of the autonomous regional party committee and people's government. He also extended cordial regards to the commanders and fighters of various units participating in the contest. Wang Lequan said: As an important component of our country's armed forces, the Armed Police Force shoulders the sacred mission of defending the motherland, protecting people's lives and property, safeguarding socialist modernization, upholding national sovereignty and dignity, and maintaining public order. Following the

rapid development of the socialist market economy and the steady acceleration of the reform drive, some social filth [wu ni zhuo shui] from foreign and domestic sources has spread in recent years, and some forces hostile to socialist modernization have also stirred up trouble. In Xinjiang, national separatists have never ceased their activities aimed at splitting the united motherland. Specifically, a handful of hostile elements and national separatists—supported and instigated by international reactionary forces—have intensified criminal activities aimed at splitting the united motherland and undermining national unity. The current grand contest of military skills is a good move to upgrade the mobile units' overall combat effectiveness, to expand their role as an iron fist and a bayonet, and to reinforce their fighting power.

[Video shows police officers drilling with dogs, motorcycles, and rappelling ropes] After the opening ceremony, leading autonomous regional comrades watched military demonstrations staged by armed police mobile units. Demonstrations of bayonet fighting, truncheon skills, duels, and motorcycle stunts staged by the vast numbers of officers and men won successive bursts of applause from the spectators. It is understood that more than 1,000 people participated in the current contest. The contest will last 10 days.

**Economic & Agricultural****Official Says Yuan Not To Exceed 9 Per Dollar***HK0108051993 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 1-7 Aug 93 p 1*

[Report by Ren Kan: "RMB Will Keep 'Gaining Ground'"]

[Text] China's foreign exchange administration has expressed strong confidence in the renminbi's future, predicting will continue its appreciation in the remaining months of this year.

The yuan is expected to gradually regain ground to a level under 8 yuan to the dollar on the country's foreign exchange swap market, predicted an official with the State Administration of Exchange Control.

Although the dollar may bounce back during the process, the price will never surpass 9 yuan again, the official, who declined to be identified, said confidently.

And if some "abnormal fluctuation" occur in the market, he said, the central bank will intervene in the market using economic measures "according to international practice." He declined to elaborate.

The yuan experienced a sharp devaluation in June after the ceiling price was abolished on June 1. The price of \$1 hit 11.2 yuan at one point, compared with 8 yuan in early June.



But the yuan gradually regained its ground in July and is now stabilized around 8.5 to 8.8 yuan in the country's foreign exchange swap market.

"But we cannot say it is a normal level," the official said. "We are quite optimistic about the yuan's future."

The official's strong confidence in the yuan is mainly based on the government's latest measures to strengthen macro-economic controls, which are expected to show their full effect in the coming months.

To ensure smooth economic development, the central government has launched a programme to restore financial order, readjust investment structure and raise interest rates.

These measures have cut domestic enterprises' demands for foreign exchange, he said.

Meanwhile, the readjusted monetary policy has also forced hard currency holders to sell their money to get renminbi.

So the gap between foreign exchange demand and supply has been narrowed and is expected to shrink more in the future.

The official admitted that the central government has enhanced its intervention in the market in July with "some economic measures," although he declined to give details.

But these measures are only complementary forces to the recent macro-economic control actions in stabilizing of yuan.

The official said the development of China's foreign exchange market will further support the stabilization of yuan.

The country is seeking to establish a unified system for quoting prices and foreign exchange transactions at swap markets.

China set up the swap market in the early 1980s. So far, about 80 percent of hard currencies needed in the country's economic activities are traded on the country's swap markets.

The official said the stabilization of the yuan will lay a firm foundation for the country to deepen its reform of its foreign exchange control system.

China has vowed to abolish its dual-rate system, which includes an official rate and a swap-market rate, within five years.

The official said one of the key conditions for the single-rate system is the stabilization of market rate and narrowing the gap between official and market rate.

### Li Peng Promulgates Labor Dispute Regulations

OW3107063593 Beijing XINHUA Domestic Service in Chinese 2130 GMT 19 Jul 93

[Text] Beijing, 20 Jul (XINHUA)—Premier Li Peng recently signed State Council Order No. 117, promulgating the "PRC Regulations for Handling Enterprise Labor Disputes."

The "Regulations" are designed to properly handle enterprise labor disputes, protect the legitimate rights and interests of enterprises, workers and staff members, maintain normal production and operation order, develop good labor relations, and promote smooth reform and opening up.

The "Regulations" are applicable to the following disputes between enterprises in the PRC and their workers and staff members: 1) Disputes arising from: workers or staff members who are fired because of bad conduct, removed from the payroll, or laid off by enterprises, or workers or staff members who resign or leave their jobs on their own accord; 2) disputes over implementing government stipulations regarding wages, insurance, welfare, training, or labor protection; 3) disputes over labor contracts; and 4) other disputes which, according to relevant laws or regulations, should be handled in accordance with these "Regulations."

The "Regulations" stipulate the following principles for handling labor disputes: Emphasis is put on mediation and prompt handling; disputes should be handled according to law after facts are established; and all parties involved are equal in applying the law. If one party in a dispute consists of three or more persons with the same grounds, a representative should be elected to participate in the mediation or arbitration. After a labor dispute arises, the parties concerned should try to settle it through negotiations; if the parties concerned are unwilling to negotiate, or their negotiations fail, they may request mediation of their enterprise by the labor dispute mediation committee; if the mediation fails, they may request arbitration by the labor dispute arbitration committee. The parties concerned may also directly request arbitration by the labor dispute arbitration committee. If one party concerned is not satisfied with the arbitration results, it may file a lawsuit against the other party with the people's court. When a labor dispute is in process, the parties concerned must not intensify the contradictions.

The "Regulations," which have 43 articles in five chapters, will go into effect as of 1 August and will at the same time supersede the "Interim Provisions for Handling Labor Disputes in State-Run Enterprises" promulgated by the State Council on 31 July 1987.

### Regulations for Labor Disputes

OW0208045393 Beijing XINHUA Domestic Service in Chinese 2134 GMT 19 Jul 93

[Text] Beijing, 20 July (XINHUA)—The PRC Regulations for Handling Enterprise Labor Disputes

**Chapter I General Provisions**

Article 1. These regulations are formulated to appropriately handle labor disputes in enterprises, safeguard the legitimate rights and interests of enterprises and workers, maintain normal production and operation order, develop good labor relations, and promote smooth reform and opening up.

Article 2. These regulations apply to the following labor disputes between enterprises and workers within the territory of the People's Republic of China:

- (1) Disputes arising from enterprises' expulsion, removal of name from payrolls, and dismissal of workers and from workers' resignation and voluntary cessation of work;
- (2) Disputes arising from the enforcement of state regulations on wages, insurance, welfare, training, and labor protection;
- (3) Disputes arising from the fulfillment of labor contracts;
- (4) Other labor disputes to be handled by these regulations as stipulated by laws and regulations.

Article 3. Enterprises and workers shall be the interested parties to cases involving labor disputes.

Article 4. The following principles should be adhered to in handling labor disputes:

- (1) Placing emphasis on mediation and timeliness;
- (2) Handling according to laws after thorough fact findings;
- (3) All interested parties are equal under applicable laws.

Article 5. When the number of workers involved in labor disputes exceeds three with common grounds, they should elect representatives to participate in the mediation or arbitration process.

Article 6. After labor disputes occur, the interested parties should hold consultations to resolve them. In the event that the interested parties are unwilling to hold consultations or when consultations fail, the case may be referred to the very enterprise's Labor Disputes Mediation Committee for mediation; and if the mediation fails, the case may further be referred to the Labor Disputes Arbitration Committee for arbitration. Interested parties may also directly request the Labor Disputes Arbitration Committee for arbitration, and if they disagree with the arbitration result, they may bring the case to the People's Court.

When labor disputes are being handled, the interested parties shall not conduct themselves in any manner that may intensify contradictions.

**Chapter II Enterprise Mediation**

Article 7. An enterprise may set up a Labor Disputes Mediation Committee (hereinafter referred to as the Mediation Committee for short) to take charge of mediating its own labor disputes. The Mediation Committee should consist of:

- (1) workers' representatives;
- (2) enterprise's representatives;
- (3) enterprise's trade union representatives.

Workers' representatives should be elected by the Congress of Workers' Representatives (or Workers' Congress, which will be used hereinafter); enterprise's representatives should be assigned by the factory director (manager); and enterprise's trade union representatives should be designated by the enterprise's Trade Union Committee.

The actual number of members of the Mediation Committee should be proposed by the Workers' Congress and be finalized after consultations with the factory director (manager); the number of enterprise's representatives should not exceed one-third of the total number of component members of the Mediation Committee.

Article 8. The Mediation Committee shall be chaired by a representative of the enterprise's trade union.

The office of the Mediation Committee should be located at the office of the enterprise's Trade Union Committee.

Article 9. For enterprises without organized trade unions, the formation and organization of the Mediation Committee should be decided through consultations between representatives of workers and enterprises.

Article 10. Labor disputes mediated by the Mediation Committee should be concluded within 30 days after the interested party has filed its application; and the mediation shall be deemed as unsuccessful if the disputes are not settled within that period.

Article 11. In mediating labor disputes, the Mediation Committee should follow the principle of voluntary participation of the two sides. Agreements reached upon mediation should be written down as mediation agreements which the two sides shall follow. If the mediation fails, an interested party may apply within the stipulated period to the Labor Disputes Arbitration Committee for arbitration.

**Chapter III Arbitration**

Article 12. Counties, cities, and districts under a city should set up Labor Disputes Arbitration Committees (hereinafter referred to as Arbitration Committee for short).

Article 13. The Arbitration Committee should consist of the following personnel:

- (1) Representatives from labor departments;
- (2) Trade union representatives;
- (3) Representatives from economic departments designated by the government.

The number of the component personnel of the Arbitration Committee should be an odd number with the responsible person of the labor department as its chairman.

The labor disputes handling organ of a labor department should serve as the organ of the Arbitration Committee in charge of day-to-day affairs.

The Arbitration Committee should operate according to the principle of the minority subordinating to the majority.

Article 14. The Arbitration Committee shall have arbitrators and an arbitration court for handling labor disputes.

Article 15. The Arbitration Committee may hire personnel of labor departments or other relevant government departments, trade unionists, experts, scholars, and lawyers as full- or part-time arbitrators.

Both full- and part-time arbitrators should enjoy the same rights in exercising their official duties as arbitrators.

When part-time arbitrators arbitrate, the units where they serve shall give them support.

Article 16. The Arbitration Committee should form an Arbitration Court to handle labor disputes. The court shall consist of three arbitrators.

For simple labor disputes, the Arbitration Court may designate an arbitrator to handle them.

For major or knotty labor disputes, the Arbitration Court may refer them to the Arbitration Committee for discussion and decision; the Arbitration Court shall execute the Arbitration Committee's decisions.

Article 17. The Arbitration Committee of a county, city, or district under a city should be responsible for handling labor disputes within their respective administrative areas.

The scope of labor disputes to be handled by the Arbitration Committee of a city with districts, and the Arbitration Committee of a district under a city's jurisdiction, should be stipulated by the provincial and autonomous regional people's governments.

Article 18. When an enterprise and workers involved in labor disputes are in areas under the jurisdiction of different Arbitration Committees, the disputes should be handled by the Arbitration Committee of the area handling wages of the workers.

Article 19. The interested parties may authorize one to two lawyers or any other person to represent them in the arbitration process. When they do so, they shall submit to the Arbitration Committee a power of attorney signed or sealed by the consignor. The power of attorney shall specify the consigned businesses and the limit of authority.

Article 20. Workers with or without limited civil action capability or demised workers may be represented by their lawful agents in the arbitration process. For those who do not have lawful agents, the Arbitration Committee shall assign lawful agents to represent them to participate in the arbitration.

Article 21. Interested parties on the two sides may reconcile on their own accord.

Article 22. A third party having interests in the results of settling the labor disputes may apply for participation in the arbitration process or be notified by the Arbitration Committee to participate.

Article 23. An interested party should apply in writing to the Arbitration Committee for arbitration within six months from the day he or she comes, or should have come to know that his or her rights have been infringed.

The Arbitration Committee should accept an interested party's application submitted beyond the time limit stipulated above due to force majeure or other valid reasons.

Article 24. In submitting its application to the Arbitration Committee for arbitration, an interested party should present a complaint petition with a copy to each defendant. The petition shall contain the following:

- (1) The worker's name, occupation, address, and work unit; the name and address of the enterprise; and the name and work of his lawful representative;
- (2) Facts and reasons on which the arbitration request is based upon; and
- (3) Evidence, and the names and addresses of witnesses.

Article 25. The Arbitration Committee shall, within seven days after receiving an appeal, decide whether it will accept or reject it. If it decides to accept the appeal, the Arbitration Committee should, within seven days after making such decision, serve the defendant with a copy of the appeal and form an Arbitration Court. If it decides to reject the appeal, the Arbitration Committee should state its reasons.

The defendant shall, within 15 days after receiving the copy of the appeal, submit a defense statement and relevant evidence. A defendant's failure in submitting a defense statement or failure in submitting it in time shall not affect hearing of the case.



The Arbitration Committee has the right to demand the interested parties produce evidence or supplementary evidence.

Article 26. The Arbitration Court should serve the interested parties a written notice on the time and venue of its hearings four days before it sits. If an interested party, after being served with a written notice, refuses to attend court without valid reason or leaves the court while it is still in session without the court's consent, he or she, if a complainant, should be deemed as withdrawing his or her petition, or if a defendant face judgment in default.

Article 27. Before handling labor disputes, the Arbitration Court should first conduct mediation and, after thorough fact finding, urge both parties to reach an agreement voluntarily. The content of such an agreement should not violate laws and regulations.

Article 28. When an agreement is reached after mediation, the Arbitration Court should make out a mediation statement based on the contents of the agreement. The mediation statement should bear legal effect on the day it is delivered.

The Arbitration Court should make a timely ruling when no agreement is reached during its mediation or when an interested party changes his or her mind before the arbitration statement has been delivered.

Article 29. In arbitrating labor disputes, the Arbitration Court should follow the principle of the minority subordinating to the majority. Different opinions should be factually recorded in writing.

When a ruling is made, the Arbitration Court should make out an arbitration report and serve it to both interested parties.

Article 30. When an interested party disagrees with the Arbitration Court's arbitration, he or she may, within 15 days after receiving the arbitration report, file a suit with the People's Court. When no suit is filed at the expiry of the period, the judgment report shall bear legal effect.

Article 31. The interested parties should, within a stipulated period, execute the arbitration statement and the arbitration report which have legal effect. When an interested party fails to execute at the expiry of a stipulated period, the other interested party may apply to the People's Court for compulsory enforcement.

Article 32. The Arbitration Court should end its handling of labor disputes within 60 days after its formation. With the approval of the Arbitration Committee, appropriate extension may be granted for a complicated case that needs further hearings. The extended period shall not exceed 30 days.

Article 33. In handling labor disputes, the Arbitration Committee has the rights of access to relevant units to inspect files, materials, and other exhibits connected with the case. The Arbitration Committee also has the

rights to question people with information. Relevant units and individuals should not refuse.

An Arbitration Committee may entrust another Arbitration Committee to conduct an enquiry.

The Arbitration Committee and its work personnel should keep confidential all secrets and privacies involved in its labor disputes investigations.

Article 34. In making application for arbitration, interested parties of labor disputes should pay arbitration fees according to relevant state stipulation.

Arbitration fees shall include fees for accepting and handling the case. The rates and measures for the fees should be worked out among the State Council departments in charge of labor and financial affairs and commodity prices.

Article 35. Members of the Arbitration Committee or arbitrators should avoid involvement in any one of the following, and the interested parties have the right to demand, either orally or in writing, their avoidance:

- (1) When they are an interested party of the labor disputes, or when they are the close relatives of interested parties;
- (2) When they have interests in the labor disputes;
- (3) When their relationship with an interested party of the labor disputes may affect a just arbitration.

Article 36. The Arbitration Committee should make a timely decision on an avoidance application and inform, orally or in writing, the interested parties about its decision.

#### Chapter IV Penalties

Article 37. The Arbitration Committee may criticize, educate, or demand correction from any interested parties and relevant personnel found in the process of handling labor disputes to have committed any one of the following acts. The offender of a more serious case should be penalized according to the relevant provisions of "The PRC Regulations on Punishments for Public Offenses"; and those whose cases have constituted criminal offenses may have their criminal responsibilities investigated according to law:

- (1) Interfere with the mediation and arbitration process or obstruct arbitrators from performing their public duties;
- (2) Supply false information;
- (3) Refuse to provide relevant documents, materials, and other evidence;
- (4) Take retaliatory actions against arbitrators, arbitration participants, witnesses, and assistant executives.

Article 38. Labor disputes arbitrators found practicing favoritism, accepting bribes, abusing powers, and

leaking confidential information or private secrets in the arbitration process should be disciplined by their units or by organs of higher level. If the offender is an Arbitration Committee member, the Arbitration Committee should terminate his or her service. If their case constitutes a crime, they shall have their criminal responsibilities investigated according to law.

#### Chapter V Supplementary Articles

Article 39. Labor disputes between workers in state organs, institutions, social organizations, and within the same unit; and between private businesses and their work assistants and apprentices should be handled according to these regulations.

Article 40. The organic rules and operating rules of the Arbitration Committee should be formulated by the Labor Department under the State Council.

Article 41. The provincial, autonomous regional, and municipal people's governments may formulate implementation measures in accordance with these regulations.

Article 42. The Labor Department under the State Council is responsible for interpreting these regulations.

Article 43. These regulations shall take effect from 1 August 1993, and the "Interim Provisions for Handling Labor Disputes in State-Run Enterprises" promulgated by the State Council on 31 July 1987 will be nullified simultaneously.

#### Li Tieying Addresses Economic Issues

OW0108050893 Beijing XINHUA Domestic Service in Chinese 1407 GMT 14 Jul 93

[By reporters Min Fanlu (7036 0416 6424) and Wu Jincai (0702 6930 2088)]

[Text] Beijing, 17 Jul (XINHUA)—Speaking at the forum entitled "Exploring China's Economic Performance in Breadth and Depth—The Current Economic Situation and Economic Performance," which opened here today, Li Tieying pointed out: While the situation of development and reform in China is generally good, a number of problems—some of which are quite prominent—have appeared in the road to progress. The central authorities have adopted some economic, legal, and necessary administrative measures to carry out macroeconomic regulation and control, rectify order in the banking sector, and improve the economic structure to ensure steady economic growth. Only by seizing the opportunity to accelerate reform can we fundamentally resolve the problems. Once these problems are resolved through macroeconomic measures, economic performance will be able to improve to the greatest extent. The large-scale investigative and research activities entitled "Exploring China's Economic performance in Breadth

and Depth" are meaningful activities that will parallel the central authorities' macroeconomic regulation and control.

Li Tieying said: Improving economic performance is the fundamental way to accelerating the pace of our country's socialist modernization. It is also an important point of departure in our drive to reform the country's economic structure. Reform is a way for the socialist system to refine and develop itself. In the sense that it will fundamentally change the economic structure and operating mechanisms, reform is also China's second revolution. The purpose of reform is to remove the shortcomings of the central planning structure shaped under the given conditions, promote the development of productive forces and all-around social progress, and constantly strengthen the vitality of socialism. Comrade Xiaoping has pointed out that reform aims at liberating productive forces. Once reform is successfully carried out, the best performance will be obtained. The practice of the last 14 years also fully proves that development will be faster, economic performance will be better, and people's living standards will be higher wherever reform is successfully carried out and market forces are given greater play.

Li Tieying continued: The development of a socialist market economy has created a new historic condition to find a complete solution to poor economic performance, a question that has been quite difficult to resolve under the old structure. In the new situation, we must take further steps to emancipate the mind and acquire new ideas and awareness on the following issues to improve our overall performance:

1. Improving performance is not merely a question of development but a task of reform as well. A basic market economic principle is to allow the market to play a fundamental role in the allocation of resources under effective government macroeconomic regulation and control. Only by establishing as soon as possible a new structure integrating performance and fairness through reform can we resolve the question of poor performance once and for all.

2. Improving performance is not merely a question of microeconomics; more important, it is a question of macroeconomics. Currently, many enterprises, especially state-owned enterprises, perform poorly. This is not a matter of internal management; to a large extent, it is a matter of macroeconomic environment. We must not only seek to improve performance by improving internal management and product quality; more importantly, we must raise the standards in managing the entire national economy through the use of macroeconomic measures. We must raise the overall performance through scientific industrial and regional policies and by optimizing structures. Economic development goes through cycles. We must try to avoid large economic

fluctuations by paying more attention to reforming macroeconomic regulation and control mechanisms and by strengthening and improving macroeconomic regulation and control.

3. Improving economic performance is not merely a question of the production sphere but also a question of the circulation sphere. In the last decade and more, our market system has made great advances and played a major role in propelling enterprises to use the laws of value, supply and demand, and competition and to improve performance; however, our market of essential production factors is still relatively backward, and our market order has yet to be established. All this has increased the cost of transactions and caused waste. At present, we must especially strengthen the establishment of the assets market [chan quan shi chang 3934 2938 1579 1034] to bring about circulation of state-owned assets. An essential production factor—be it capital, labor, real estate, scientific and technological achievements, or assets owned by enterprises—can produce economic results only when it is in circulation.

4. In improving economic performance, we must not only concentrate on deficit enterprises but also on competitive industries and key enterprises as well. The question of some of the long-standing deficit enterprises and sunset industries may only be resolved through bankruptcies, mergers, and takeovers. To enliven enterprises and improve enterprise performance does not mean to save every single enterprise. Only by ensuring the survival of the fittest through competition can we optimize the economic structure and achieve better performance.

5. In improving economic performance, we must not pay attention to economic activities alone; we must also pay attention to our work in general. Improving work efficiency is also an important element of improving performance.

6. In improving economic performance, we must strike a correct balance between speed and performance. Doing things faster does not necessarily entail better economic performance. When every aspect of our economic life is strained, it will be difficult for the market to function normally, and the overall performance will not be satisfactory.

Li Tieying said: Improving economic performance is something that involves structure, mechanism, technological progress, management, and many other aspects. We must strengthen investigation and research, earnestly study prominent contradictions and questions of a deeper nature, and seriously shift our attention to changing operating mechanisms, optimizing structures, and improving performance.

Bo Yibo, honorary chairman of the "Exploring China's Economic Performance in Breadth and Depth" activities, also attended today's forum and made an impromptu speech before the discussion. The venerable Bo pointed out: In conducting our current economic

work, we must focus on six Chinese characters; namely, deepening reform, changing mechanisms, optimizing structures, and improving performance. They are extremely important to accelerating economic development and improving our overall national strength. Activities such as last year's "Long March in Improving the Quality of Chinese Products" and the ongoing "Exploring China's Economic Performance in Breadth and Depth" all contribute to improving and enhancing our country's overall economic standards. We must actively commend quality, better-performing enterprises to bring about improved economic standards. I wish the activities greater success.

The large-scale "Exploring China's Economic Performance in Breadth and Depth" investigation and research activities began across the country last March. The purpose is to find an efficient approach to improving economic performance through in-depth investigation and research in economic structure, system, and management. Wang Weicheng, director of the CPC Central Committee Central Policy Research Center and chairman of the Academic Guidance Commission for "Exploring China's Economic Performance in Breadth and Depth" activities, presided over today's forum. Comrades Ma Hong, Gao Shangquan, Wang Mengkui, Chen Qingtai, Ma Kai, and Fan Jingyi spoke at the forum.

#### **Finance Minister Discusses State Budget**

*OW0108190393 Beijing XINHUA Domestic Service in Chinese 1002 GMT 20 Jul 93*

[By RENMIN RIBAO reporter Li Jianxing (2621 1696 5281) and XINHUA reporter Ding Jianming (0002 1017 6900) ]

[Text] Beijing, 20 Jul (XINHUA)—A national meeting on finance opened in Beijing today. The meeting's central tasks are to implement the policies and measures of the party Central Committee and the State Council on strengthening macrocontrol over financial work, study how to tighten financial and tax management, promote the reform of the financial and tax systems, strengthen macroeconomic management, get a firm grip on increasing revenues and reducing expenditures, and ensure the budget's balance for the whole year.

Finance Minister Liu Zhongli said at the meeting: This year, the state budget faces a grim situation owing to some contradictions and problems that have occurred in economic activities. During the first half of this year, the total state revenue was 164.554 billion yuan, fulfilling the annual plan by 38.7 percent, which is only 3.5 percent more than that of the same period last year as calculated in terms of comparable items. On the other hand, the total expenditures during the same period were 161.897 billion yuan, fulfilling the annual plan by 36.3 percent, which is 12.5 percent higher than in the same period last year. The 2.657 billion yuan gap between revenues and expenditures marks a substantial reduction



compared with last year's balance. The financial problems are mainly those of the central government.

Liu Zhongli emphatically pointed out: Therefore, from now on, financial and tax departments at various levels must take prompt action to increase revenues and reduce expenditures. They should attach importance to increasing revenues, stop loopholes, control expenditures, strengthen management, and do their best to fulfill this year's task of balancing the budget. We must not allow the increase of deficits due to financial and tax departments' poor work to add difficulties to macrocontrol over the economy.

Liu Zhongli pointed out: We should strengthen the collection of tax and administration of tax matters, and prevent loss of revenues. In the second half of this year, the most important task of various tax departments is to strengthen tax collection work in accordance with the law. In particular, tax departments should make greater efforts to collect taxes from units which have problems paying taxes and promptly collect all taxes which should be paid by various units. It is necessary to strictly control tax reduction and tax exemption; strengthen the control of tax sources; and effectively improve and strengthen the administration of tax refunds for individual business operators, private enterprises, collective enterprises, joint ventures, and foreign trade operations. In particular, it is necessary to strengthen the work of settling taxes in arrears.

Liu Zhongli emphatically pointed out: At present, we must pay attention to turning in money obtained from the sale of state treasury bills. All localities and departments must not be allowed to retain or hold back money from the sale of treasury bills. He pointed out: Various localities which have not fulfilled this year's task of selling treasury bills should continue the work of selling treasury bills even after the deadline. Upon completion of the task of selling treasury bills, the Finance Ministry will inform security committees and banks to review and approve the sales of shares and debentures by enterprises in those places. Like this year, before the completion of the task of selling treasury bills, all bonds and debentures will not be allowed for sale next year. This will be the principle in handling the matter.

Liu Zhongli pointed out: In the second half of the year, financial and tax departments at various levels should attach importance to collecting construction funds for energy sources, communications, and other key projects and to managing regulatory funds for budget and other revenues. He said: In recent years, the State Council has adopted a measure to reduce or exempt the "two kinds of funds" in consideration of the reform of enterprises and the financial capability of the state. It is a planned and systematic measure. Various localities and departments are not authorized to make decisions on reducing or exempting the "two kinds of funds." Financial and tax departments at various levels must follow the State Council decision to strengthen the collection and management of the "two kinds of funds." Those that should

be collected must be collected, and those that should be reduced or exempted must be reduced or exempted. Financial and tax departments must insure that the two kinds of income will be collected and reach the amount noted in the budget plan.

Liu Zhongli especially pointed out: There are many problems in financial payments during the first half of this year. On the one hand, since the growth of state revenues was slow, the allocation of funds was quite difficult, the disbursements were reduced, and the appropriation of funds for some key projects has slowed. On the other hand, the administrative expenditures, which should be strictly controlled, increased 27.1 percent over the same period last year. In this respect, Liu Zhongli stressed that, in the second half of this year, financial departments at various levels must strictly control the scale of expenditures, be resolute, and not appropriate even one cent for things which should not be done. In the disbursement of funds, financial departments at various levels must first ensure the appropriation of money for salaries, price subsidies, key construction projects, and places with special difficulties; and curtail the appropriation of funds for other things as much as possible. Various localities and departments should cut expenditures on meetings by 20 percent. The procurement of office facilities by various units must not exceed the standard as prescribed by the state, and various localities and departments must not ask for increasing the budget in the name of automating office work. Stricter control will be exercised in approving the eight kinds of high-grade consumer goods limited to certain departments.

Liu Zhongli emphatically pointed out: We should protect the rights of state assets and prevent their loss. At present, we should pay particular attention to the situation in which some places and departments do not follow regulations in appraising the value of Chinese assets or do not use appraised value of Chinese assets in the course of inviting foreign investment to set up joint ventures. Liu Zhongli said: We must forbid sacrificing the rights of state assets to attract foreign investment at all cost. Financial and auditing departments and registered accounting offices must strengthen their supervision and inspection to stop this loophole.

In conclusion, Liu Zhongli asked leading cadres of financial departments at various levels to enhance their consciousness under the new situation, persist in attaching equal importance to both spiritual and material civilization, guard against money worshipping and hedonism, and refrain from abusing their power for personal gain. It is necessary to strictly handle and punish those who seek ill-gotten gains, use their power to obtain money, or engage in other illegal activities if their wrongdoings have been proved, and we must not be indulgent toward their mistakes.

**Li Lanqing Remarks on Various Issues Noted****Responds to Reported Trade Deficit***OW3107112893 Beijing XINHUA in English 1114 GMT 31 Jul 93*

[Text] Beijing, July 31 (XINHUA)—A sharp increase in imports and slow growth in exports have resulted in a six-month trade deficit in China since the beginning of this year. This also challenges the country's foreign trade development for the second half of the year.

Official statistics show that China's total import and export volume in the first half of this year reached 77.84 billion U.S. dollars, a rise of 13.4 percent over the same period in 1992.

Imports have increased by over 20 percent to 40.69 billion U.S. dollars, while exports rose only by 4.4 percent to 37.15 billion U.S. dollars.

Earlier, China anticipated that the total foreign trade volume this year would increase by 11.7 percent over 1992 to 185 billion U.S. dollars, with exports expected to rise by 11.8 percent.

China's trade deficit, for the first time in four years, has arrested the government's attention. Vice Premier Li Lanqing, speaking at a national foreign trade conference, called for greater efforts to expand exports so as to realize the set target.

At present, local trade departments are taking measures to boost exports in a bid to fulfill the year's task.

Meanwhile, seven groups under the leadership of Chinese Foreign Trade Minister Wu Yi and her aides are investigating imports and exports in 20 cities and 12 provinces. They will also help to handle difficulties local trade departments come across.

Some trade experts say that though the trade deficit of 3.54 billion U.S. dollars has created some difficulties for the country in realizing its target, it is still possible to balance the trade within the year with some effective measures.

They believe that to maintain the import-export balance, China can only try to expand exports actively instead of passively reducing imports to realize the balance.

They suggest that government offer greater support in funding, raw materials, energy, transportation and export drawback and continue to give priority to arranging loans for foreign trade enterprises.

Meanwhile, foreign trade enterprises and producers of export goods should speed up change of management mechanisms, improve structure and raise quality of export goods, and establish and improve the system of quality licensing for production of export goods.

According to these experts, the strategy of pluralization of export markets should be further implemented. At

present, the United States and the European economic community are creating more and more obstacles for Chinese goods to enter their markets, while western developed countries and some new industrialized countries are scrambling for markets in the Commonwealth of Independent States, East Europe, Southeast Asia and Middle East. China should also do a lot more in such areas.

They also call for a better order to take the place of the disorder in China's current export system.

**Discusses Quality Control***OW3007142793 Beijing Central Television Program One Network in Mandarin 1100 GMT 20 Jul 93*

[Interview With Vice Premier Li Lanqing by unidentified interviewer; place and date not given—from the "National News Hookup" program]

[Text] [Unidentified female announcer] A television promotion campaign to publicize the 1993 10,000-Li March Toward Quality was officially launched today. The program is hosted by the State Economic and Trade Commission, the State Technology Supervision Administration, and the China Central Television Station with the help of economic commissions, technology supervision bureaus, television stations, and law enforcement departments from provinces, municipalities, and autonomous regions around the country. Our station reporter interviewed State Council Vice Premier Li Lanqing about the event. [Video switches to medium shots of a frowning Li Lanqing, wearing glasses and a grey tie and Western suit; he is shown seated and speaking in front of a book cabinet]

[Begin recording] [Li Lanqing] On the whole, I would not say that China does not have abundant natural resources. However, in per capita terms, we are still deficient in many resources. Under such national conditions, each of us should make particular efforts to amass greater and better riches or commodities for the country with the smallest or most economical amount of resources. We should conserve and treasure every ounce of resources and contribute more to the people. Given such national conditions in China, everyone should give primacy to quality. No matter what we produce, we should turn our limited resources into the most useful and refined products of very high added value. I would like to propose a slogan: Let the country prosper through quality! [Video shows Li Lanqing smiling and thrusting a clenched fist in the air before four red Chinese characters for the slogan appearing at the bottom of the screen]

[Unidentified female interviewer] Yes. Let the country prosper through quality!

[Li Lanqing] Right. Everybody should attach importance to the quality of their work and commodities; we should constantly seek improvements and work scrupulously in all our endeavors, and everyone should be allowed to point out any shortcomings in our commodities.

[Interviewer] Vice Premier Li, please tell us about your hopes regarding our television promotion campaign for the 1993 10,000-Li March Toward Quality.

[Li Lanqing] I hope the 1993 10,000-Li March Toward Quality will have a greater impact, and be better and more attractive, than the one in 1992. We should educate people on the positive side if we wish to attract people. We should commend exemplary individuals who show good quality, stress quality, and are strongly quality-minded, as well as instances of such individuals. At the same time, I hope you will not be afraid to expose individuals who show bad quality, practice fraud, and produce or sell fake and shoddy commodities, as well as instances of such individuals. It is permissible for television stations to expose such cases to the Chinese people, or even in the whole world. Do not think that our prestige in the world will suffer from such exposure. On the contrary, such exposure will only prove that we put a premium on quality and oppose practices to the contrary. It will not evoke a negative international reaction. Of course, we must be accurate; good or bad, all cases should be reported faithfully. I believe you are already heeding this rule. I harbor great hopes for the 1993 10,000-Li March Toward Quality. I believe it will play a positive role in three aspects: enhancing quality awareness among the people, educating managerial and production personnel about the importance of quality, and dealing a blow to fake and shoddy commodities. We should produce good movies and television programs, which are important educational tools. I myself will lend full support to this task. [end recording]

#### Minister on Plan To Cool Real Estate 'Frenzy'

HK3107051793 Beijing CHINA DAILY in English 31  
Jul 93 p 4

[By staff reporter Li Hong: "Nationwide Crackdown Boost for New Homes"]

[Text] Residential housing programmes will benefit from the nationwide bid to cool down the real estate frenzy, Ministry of Construction sources said.

Funds saved from the ban on luxury office buildings and villas will be diverted to build more commercial high-rises for ordinary urban citizens, said Hou Jie, Minister of Construction.

He said that all the country's real estate companies engaged in property development must invest at least 20 percent of their annual development budget in building residential homes for sale.

Experts say the new policy is inspired by the practice in some developed countries and regions like Hong Kong, which has legislation for real estate developers to build a certain number of low-priced homes.

Beijing is the first city in the country to adopt such a system.

Ministry officials estimate this year's total investment in commercial housing projects will increase substantially because of the government's new policy.

Last year, China built a record 160 million square metres of urban housing, which was 51 percent more than in the previous year.

An official with the ministry's real estate department said the government will build another batch of 25 urban residential zones in the next two years to help solve the housing shortage in large and medium-sized cities.

The official said that provinces are also accumulating funds through share issues from the government, enterprises and individuals to build 2,500 small residential zones.

The government's huge investment in housing reflects its determination to improve living standards after almost 30 years of liberation when funds were collected mainly for industry and defence, experts said.

Although the per-capita urban living space has reached 7.2 square metres, there are still 4.4 million urban households which have less than five square metres per person, statistics from the ministry showed.

And the ministry's statistics also showed that only 60 percent of residential apartments are up to standard because of poor design and construction. More than 1.5 billion yuan (\$263 million) has to be allocated each year to refurbish homes.

In recent years, the real estate business, driven by profits, has concentrated too much on the development of hotels, plush office buildings and villas, and neglected the construction of residential buildings.

But many luxury apartments remain empty as few people can afford them.

#### Zhu Orders Banks To Recover Unauthorized Loans

HK0108051093 Hong Kong SOUTH CHINA SUNDAY  
MORNING POST (SUNDAY MONEY) in English 1  
Aug 93 pp M1, M3

[Report by Kennis Chu]

[Text] Chinese Vice-Premier Zhu Rongji has given mainland banks until August 15 to repatriate unauthorised loans from coastal cities to their head offices. Bank chiefs must transfer unauthorised lendings (mostly those for property and stock speculation), back to their own provinces and cities, Mr Zhu said. It is estimated that over the past few months, 20 billion to 30 billion yuan (about HK\$27 billion to \$40.5 billion) in cash has been moved back from Beihai, Hainan and Dayawan to inland provinces, such as Hunan, Sichuan and Jiangxi because of the decree.



Mr Zhu's order has led to a collapse of the property market in those coastal cities. Prices for residential units in Dayawan have tumbled as much as 30 percent, while prices for Hainan flats have dropped by 20 percent. "The property markets in Guangzhou, Shenzhen, Shanghai and Beijing have remained strong. But Beihai, Hainan and Dayawan will never recover," said Francis Lau Shiu-kwan, the executive chairman of Raine, Horne and Lau (Surveyors), a leading China property agent in Hong Kong. "Many non-speculative companies are forced to settle their lendings earlier than the date agreed. It will have a detrimental impact on their cash flows," said a senior official in Guangdong provincial government.

It is believed that most bank chiefs will not be able to repatriate speculative loans in full because of the drop in mainland property and securities markets. Some borrowers have gone bankrupt. According to Mr Lau, about five billion yuan has been moved back from Beihai to Hunan. The loan repatriation is only one of the directives recently launched to clamp down on property speculators.

In a high-ranking internal conference held late last month, four new regulations were set:

—Development zones which were not approved by the State and the provinces have to be shut down. The move will release a great deal of land.

There are 3,900 development zones planned or completed, but only 400 are approved.

—Beijing will set a floor price for all land sales. Local governments are not allowed to sell the land below that price.

In order to boost investments, many local governments give their land away free to investors.

—All land is to be sold either through tenders or public auctions. This will clamp down on property speculation.

Most land is sold by private treaties.

—A capital gains tax on property transaction will be imposed across the country.

"I won't say that Mr Zhu's programme is an austerity or a cooling-down plan. Unlike the economic crisis in 1988, the major problem this time is the misuse of bank lending," said Mr Lau. He suggested that Beijing should set up a property lending institution. "If China wants to establish a mature property market, developers and end-users have to be able to borrow money from the banks.

## Reportage on Vice Premier Zou Jiahua's Activities

### Addresses Land Management

OW3107053293 Beijing Central Television Program  
One Network in Mandarin 1100 GMT 21 Jul 93

[From the "National News Hookup" program]

[Text] At a land management meeting held in Beijing today, State Council Vice Premier Zou Jiahua said: The general development trend of the country's property market [di chan 0966 3934] is good; however, some problems concerning land leasing that urgently need to be solved have emerged in developing the property market. For instance, some localities have grossly overstepped their authority to approve the use of land for various purposes; as a result, many construction and public projects have been unable to be carried out because land is unavailable. Also, the right to use state-owned land has been transferred to too little land, and illegal land transactions have been too frequent, resulting in abnormal development of the property market [video shows Zou Jiahua addressing meeting].

Zou Jiahua stressed: Following the central authorities' guidelines on strengthening macroregulation and control, we must immediately organize investigative groups to straighten out the management problems of real estate development enterprises, starting from tightening supervision over these enterprises and investigating their operations. We should study and establish as quickly as possible measures for accelerating and deepening reform of the landed estate market and for totally regularizing the market. Zou Jiahua also set forth 10 specific measures for tightening land management and stopping land speculation.

In another development, the State Land Administration Bureau and the Ministry of Personnel today jointly commended advanced units and individuals of the country's land management departments.

### Inspects Inner Mongolia

OW3107094293 Beijing XINHUA Domestic Service in Chinese 1103 GMT 21 Jul 93

[By XINHUA reporter Tang Ji (3282 6060) and NEI MONGOL RIBAO reporter Li Maqin (2621 7456 2953)]

[Text] Hohhot, 21 Jul (XINHUA)—During his inspection tour of some key state construction projects in the Inner Mongolian Autonomous Region recently, Zou Jiahua, member of the CPC Central Committee Political Bureau and vice premier, stressed: Leading comrades at all levels must remain sober-minded; correctly understand the current economic situation; continue to deepen reform; intensify macroeconomic regulation and control; and pool financial and material resources on building large coal, power, and transportation projects. This is urgently needed to improve the industrial structure and eliminate "bottlenecks," and this is essential for

ensuring a sustained, fast, and healthy national economic development in China.

Zou Jiahua and principal leaders of the State Planning Commission and the ministries of communications, railways, metallurgy, coal, and power industry visited Inner Mongolia from 13 through 20 July in the company of Wang Qun, secretary of the Inner Mongolia Regional CPC Committee, and Ulji, chairman of the region. While there, they visited the coal and power projects being built by the Yimin He in eastern Inner Mongolia, and the Jungar coal, power, and transportation projects as well as the Dalad and Togtoh power plants in central and western Inner Mongolia.

During the inspection, Comrade Zou Jiahua pointed out: Strengthening macroeconomic regulation and control does not mean sweeping retrenchment; it is rather a readjustment of industrial structure. Macroeconomic regulation and control should be strengthened through economic means, economic policies, and economic legislation, as well as the necessary administrative measures. Regulatory and control measures should be taken so that capital can be used rationally and projects that should be built can be built. In order to bring about a sustained, fast, and sound economic development, energy and transportation projects have to be handled according to their priority, and projects that should not be built must be scrapped with resolve.

Zou Jiahua urged enterprise leaders, especially leading cadres in charge of key construction projects, to establish a new concept about the socialist market economy and make great efforts to study and analyze the market and make market forecast. He said: Through market research, enterprise leaders should closely coordinate production with the market, produce the kinds of goods it needs, and ensure product quality. To achieve higher productivity and returns, enterprise leaders should also closely coordinate production with returns, deepen reform, constantly carry out technological reconstruction, pay attention to technological advancement, improve business management, and lower production cost. Only by so doing can our enterprises' operations develop a virtuous cycle and can our key construction projects function even more effectively.

Upon visiting the Rare Earths Corporation under the Baotou Iron and Steel Complex, the First and Second Machine Tool Plants, and the Jalaid Coal Mine, Zou Jiahua pointed out: In order to develop, a region must bring its resources into full play by processing its resources according to market needs. However, while it should be aware of its advantages, it should also take note of its handicaps. We should analyze what handicaps can be changed and what cannot be changed for the time being. Projects should be selected and prioritized based on market needs and state plans. Use of capital should be rationally budgeted according to the priority of projects. Currently, more than 10 key construction projects of the state are being built in Inner Mongolia. These projects,

which are basically projects for developing Inner Mongolia's coal, power, and energy resources, are in line with the state's industrial policy. Relevant departments should support these projects in terms of financial and material resources so that their construction can accelerate and so that these projects can take part in production and yield results as quickly as possible.

#### Cites Tertiary Industry Survey

OW3107090893 Beijing XINHUA Domestic Service in Chinese 1042 GMT 29 Jul 93

[By reporter Zhang Jinsheng (1728 6930 0524)]

[Text] Beijing, 29 Jul (XINHUA)—Yesterday's telephone conference on a nationwide general survey of China's tertiary industries stated: The survey's major tasks aim at obtaining a clear picture of the actual situation regarding China's tertiary industries; at laying a firm foundation for promoting and implementing a new national economic accounting system in line with international standards; and at providing a basis for formulating various party and state policies as well as development plans, including policies on industry, employment, education, and distribution.

The meeting required that the survey should be completed by the end of next year. Key data which are manually processed should be obtained by the end of 1993. In 1994 we should strive to accomplish various tasks including the computerization of data; the analysis, application, filing, and publication of information obtained from the general survey; and the summarization of the general survey.

It has been learned that the general survey of China's tertiary industries will cover all economic enterprises, administrative institutions, social groups, and individuals within Mainland China who specialize in the service industry. Tertiary industries attached to primary and secondary industries will also be included. The main contents of the general survey are as follows: The number of tertiary industry organizations and their personnel; tertiary industry's production and operational activities; actual assets in tertiary industries; and other indicators reflecting tertiary industry's principal operating activities. The general survey of China's tertiary industries will cover 1991 and 1992.

The Group Coordinating the General Survey of Tertiary Industries Across China specified: The general survey will apply a two-tiered method along the vertical line of divisions between the central ministries and along the horizontal line of divisions between localities. In other words, the general survey on the Army, the armed police, and the railway system will be conducted along the vertical line of chains of command or departments. The general survey on other industries will be conducted along the horizontal line of divisions by various respective provinces, autonomous regions, and municipalities. In other words, it will be carried out along the horizontal line of divisions within four levels; namely, at the state;

at the provincial, autonomous regional, and municipal; at the prefectural and city; and at the county and district levels. The general survey will be supplemented with sample survey methods. We will conduct a general survey on enterprises as well as industrial and administrative units that have comprehensive accounting systems; it is easy to compile their data. We will conduct a sample survey on urban and rural tertiary industry individuals since they are mostly scattered with inadequate accounting systems.

The meeting urged: By the end of August 1993, all relevant localities and departments must have established groups coordinating the general survey of tertiary industries at various levels and offices; must ensure that general survey personnel are already at their various posts; and must expeditiously perform various preparatory tasks for the general survey. By the end of September 1993, all relevant localities and departments should have earnestly completed training of personnel for the general survey of the tertiary industry. They should have a backbone contingent of personnel who are highly qualified and responsible, and who have actually mastered special knowledge on the general survey.

On behalf of the State Council, Zou Jiahua, vice premier of the State Council, spoke about three ideas at the meeting:

First, the general survey of China's tertiary industries is a major investigation of the national conditions and strengths. Conducting a general survey across China will not only provide basic comprehensive and realistic material for China and various localities to formulate development plans and policies for tertiary industries, but will also lay a good foundation for establishing and later improving tertiary industry's statistical system and methods.

Second, the general survey of China's tertiary industries involves many aspects, and we need to extensively mobilize many social sectors. The main problems in the general survey are: the schedule is quite tight; the tasks are arduous; and the work load to organize and mobilize various social sectors is quite heavy. We also need to make enormous efforts to publicize the knowledge of tertiary industries and of the general survey of tertiary industries, and to educate people in this regard.

Third, we should pay full attention to and strengthen the leadership so as to ensure smooth progress in the general survey of tertiary industries. Effective immediately, governments at various levels should list the work on the general survey of tertiary industries as an important item on their agenda; should strive to fulfill all necessary requirements for the general survey including manpower, finance, and materials; and should resolve all actual difficulties encountered in the course of performing related work. We should strictly ensure the quality of data collected in the general survey of tertiary industries, and should establish a sound data-quality

control system so as to guarantee the accuracy of data collected throughout the entire process of the general survey.

#### Justice Official on Illegal Financial Activities

OW3107080893 Beijing XINHUA Domestic Service in Chinese 0739 GMT 21 Jul 93

[By RENMIN RIBAO reporter Mao Lei (3029 4320) and XINHUA reporter Zhang Yinshu (1728 6892 2562)]

[Text] Beijing, 21 Jul (XINHUA)—At a news conference held today by the Ministry of Justice, Executive Vice Minister Zhang Xiufu asked attorneys and notary publics to stop extending legal services to illegal financial institutions and illegal fund-raising activities such as unauthorized share and bond issues.

Zhang Xiufu announced: The Ministry of Justice has decided to establish a news spokesman system for promptly announcing to the public and to local and foreign media major issues concerning judicial administration, and for notifying about relevant major events and situations. Today's news conference was the first held by the ministry.

Zhang Xiufu pointed out: Currently, attorneys should pay close attention to the legality of guarantees, invoices, and loan interest rates issued or determined by banks and nonbanking financial institutions. They should actively assist financial institutions in recovering loan repayments that are due or overdue; should safeguard the security of state funds; and should stop extending legal services for illegal activities such as fund embezzlement and illegal fund-raising. In strict accordance with relevant state demands on rectifying the financial order and strengthening money market control, notary institutions should effectively handle notarization matters concerning loans, mortgages, bills, fund raising, guarantees, credits, withdrawals and deposits, and insurance so as to contribute toward safeguarding the financial order, toward standardizing financial market operations, and toward stopping illegal and undisciplined activities in the financial field. They must not extend notarization services to financial institutions that violate relevant regulations in loan, day-to-day loan, investment, and guarantee transactions; to nonfinancial institutions which extend unauthorized loans; and to activities of unauthorized share and bond issue, illegal fund raising, as well as illegal private banks and money exchange shops. Some of these activities need to be promptly reported to the relevant departments.

Zhang Xiufu stated: The Ministry of Justice and service personnel in the legal profession must strive to provide strong legal services and support for the state's undertakings in increasing macroeconomic regulation and control as well as in deepening economic restructuring. All attorneys, notary publics, and grass-roots legal workers should effectively carry out their duties as governmental legal advisers at all levels, particularly to finance, planning, accounting and taxation, industry and



commercial, and land departments. They should assist governmental departments in formulating laws and regulations for perfecting macroeconomic regulation and control, as well as the necessary implementation procedures. They should apply legal means to regulate the economic order and actively guide enterprises and industrial sectors in carrying out production and operations strictly in accordance with the laws.

It is understood that currently our country has over 50,000 attorneys and over 4,100 attorney offices which annually handle the affairs of some 200,000 economic and legal cases; over 2,900 notarization offices with over 10,000 notary publics which handled over 4.8 million notarization cases last year; and over 30,000 grass-roots legal service organizations with some 120,000 personnel. Zhang Xiufu added: "The number of these personnel and institutions still lags far behind the needs of the market economy and the needs for our country's socialist democracy and legal system construction. Therefore, the Ministry of Justice has decided to give prominence to accelerating the pace of reform and to establishing as soon as possible a socialist legal, notarization, and grass-roots legal service system with Chinese characteristics that suits the needs of the market economy. By the end of the 'Eighth Five-Year Plan' we should have 75,000 attorneys, 20,000 notary publics, and 130,000 grass-roots legal service personnel."

#### State Issues Regulations on State Assets Abroad

HK3108070093 Beijing ZHONGGUO XINWEN SHE  
in English 0245 GMT 31 Jul 93

[Text] Beijing, July 31 (CNS)—In order to tighten control of state-owned assets overseas, a set of "Regulations on the Running of Enterprises in Foreign Countries with State-Owned Assets" was recently drawn up and promulgated by the State Bureau of State-Owned Assets Administration, the Ministry of Foreign Trade and Economic Cooperation and the State General Administration of Customs.

According to the regulations, all enterprises to be set up overseas with state-owned assets will in future be required to submit a report to the state-owned assets administration departments regarding the evaluation and estimation of their assets and all overseas investment items will be required to go through the formalities of checking their property exported overseas as well as registration at the state-owned assets administration department. The regulations stipulate that enterprises exporting their state-owned property overseas must submit a certificate listing of such property to the customs department which will examine the property before it may be allowed to be sent out of the country.

#### Intellectual Property Protection Firm Begins

OW3007140193 Beijing XINHUA in English 1249  
GMT 30 Jul 93

[Text] Beijing, July 30 (XINHUA)—China's first company specializing in protecting intellectual property was inaugurated here today.

The Zhongcheng Intellectual Property Protection Service Co. Ltd, a joint venture set up by mainland and Hong Kong lawyers, will help ensure that intellectual property is fully respected in China, the company's top official told the press.

According to board Chairman Zhao Damou, the company, on behalf of its clients, will monitor infringements of patent rights, copyrights, trade marks, etc.

"With the consent of our clients, we will report the evidence to the proper authorities so that legal action can be taken to protect their rights and interests," said Zhao, who is also deputy secretary general of the All-China Lawyers' Association.

"The methods of investigation will fully conform to law, and our investigators will not work the way police or government procurators do," he said.

In the case of action having to be taken in foreign countries, he continued, investigations will be conducted in co-operation with local lawyers.

The company also offers consultancy and information services concerning intellectual property, and will conduct commercial credibility investigations at the request of clients, Zhao said.

Zhongcheng has been registered with the Ministries of Justice and Foreign Trade and Economic Cooperation, he noted.

"This shows that the government, in striving to ensure full protection for intellectual property, is beginning to mobilize nongovernmental resources," said a senior legislator attending the press conference.

The company is expected to "supplement the government's efforts in intellectual property protection," said Cai Cheng, vice-chairman of the Law Committee of the National People's Congress.

#### State Maintains 'Strong Trend' of Foreign Trade

HK3007055493 Beijing XINHUA Domestic Service in  
Chinese 0828 GMT 27 Jul 93

[By reporter Jiang Jun (1203 6511): "Strong Trend of Development Was Maintained in China's Foreign Trade and Economic Cooperation in First Half of the Year"]

[Text] Beijing, 27 Jul (XINHUA)—The situation of China's foreign trade and economic cooperation in the first half of this year was characterized by a high rate of growth in imports, slow growth rate in exports, rapid development of foreign investment, and steady growth rates in technological imports and exports, contracting foreign projects, and overseas investments.

When making a detailed introduction of this situation today, Miao Fuchun, spokesman of the Ministry of Foreign Trade and Economic Cooperation, pointed out that based on last year's high-rate growth, the strong

trend of development has been maintained in China's foreign trade and economic cooperation in the first half of this year.

Imports continued to grow at a high rate. This was a major characteristic of foreign trade in the past six months. According to statistics provided by Customs, the total volume of China's imports and exports reached \$77.84 billion in the first half of the year which was an increase of 13.4 percent over the same period last year. Of this, the volume of imports was \$40.69, an increase of 23.2 percent. Nearly half the imported commodities were mechanical and electrical products. The imports of such products increased rapidly. For example, a total of 125,000 automobiles and 59 airplanes were imported, an increase of 175 and 180 percent, respectively, over the same period last year. Imports of raw materials for industrial use also grew by a large margin. For example, imports of steel products grew by 360 percent and imports of billets by 970 percent.

At the same time, exports increased slowly. Compared with the same period last year, the export volume increased by only 4.4 percent, which was much lower than the economic growth rate. Although exports to the CIS, Korea, Mongolia, Vietnam, Laos, and other neighboring countries and to East European countries increased greatly, by 71.4 percent, exports to Hong Kong, the United States, the European Community, and other major export markets were maintained at last year's level. Those commodities the exports of which decreased included crude oil, steel products, aquatic products, cereals, and cereal powder. According to Miao Fuchun's analysis, the main reasons for the slow growth were the increasing demand and price increase in domestic markets, the shortage of funds of the foreign trade purchasing departments, the difficulties in transportation, and the lack of a sense of competition and earning foreign exchange in some foreign trade enterprises. In the first half of the year, the export volume of the state-owned enterprises, China's main exporters, dropped by 3.4 percent compared with the same period last year. At the same time, however, the export volume of foreign-funded enterprises grew 36.9 percent. Miao Fuchun said that in view of the unsatisfactory export situation, China will adopt positive measures, rather than a negative method of reducing imports, to promote exports and maintain a basic balance between imports and exports.

As foreign investors are becoming more and more enthusiastic about investing in China, investments from Hong Kong, Taiwan, Canada, Germany, the UK, the United States, and Korea increased by a wide margin in the first half of the year. In this period, China approved a total of 43,632 foreign investment projects, an increase of 234.3 percent over the same period last year. The foreign funds to be used for development of these projects were \$58.756 billion, according to agreements, and \$9.396 billion actually were used, an increase of 300.3 and 179.8

percent, respectively. The numbers of foreign investment projects approved by Guangdong, Jiangsu, Shandong, Shanghai, Tianjin, Beijing, Zhejiang, and Shenzhen all were higher than 1,700. These investments were made primarily in electronics and communications projects, the machinery industry, the chemical industry, and the development of electrical and mechanical appliances. Foreign investors also were bullish about investing in such businesses as real estate, public services, construction, commerce, the catering trade, materials supply and marketing, and construction of warehouses and water conservancy projects for development of agriculture, forestry, fisheries, and animal husbandry.

Miao Fuchun said: The rapid development of foreign investment once again proves that with a stable political situation, a good social environment, and steady economic development, China is an ideal place for foreign investment.

In the energy production, posts and telecommunications, and chemical and electronics industries, China introduced 185 technological projects from Japan, Germany, and the United States in the first half of the year. Total payment for these imports was \$3.289 billion according to contracts. In the same period, China exported 35 technological projects, including power production, machinery, metallurgical, and construction materials projects, to Iran, Pakistan, Hong Kong, the United States, and other countries and regions. The funds involved totalled \$1.339 billion, according to contracts, which was an increase of 71 percent over the same period last year.

Owing to the slump in the international contract labor market and the influence of the Sino-British talks, the number of contracts on labor exports from China signed in the first half of the year dropped by 8.1 percent. By the end of June, the number of Chinese laborers outside was 148,000, which was 49,000 more than the same period last year. There also was steady growth in China's overseas investment in the first half of the year. Some 277 enterprises were approved to be established overseas in that period. Up to the first quarter of this year, China had approved the establishment of a total of 4,453 enterprises overseas, in which the Chinese side had invested \$5.123 billion.

#### **Expert Discusses Foreign Exchange Swap Market** *OW3007021293 Beijing XINHUA in English 1246* *GMT 29 Jul 93*

[Text] Beijing, July 29 (XINHUA)—A Chinese financial expert here today urged the reform of the foreign exchange swap market and said a standardized market is the key to achieving a stable foreign exchange rate.

Tao Limin, deputy director of the International Financial Research Institute of the Bank of China, said that the central bank and other major state banks should assume the role of hard currency dealers and suppliers through

computer networks. The market should be "invisible", as are those in most foreign countries.

However, in China banks have been kept away from the foreign exchange market. Moreover, transactions are done at swap centers which are thronged with hundreds of people, including foreign trade companies and enterprises waiting to buy or sell hard currencies.

The swap centers set a base price and the transactions are done through price bidding, similar to stock market trading.

"I would rather call it a currency auction," said Tao. "Such centers are often shrouded in a speculative atmosphere in which the exchange rate can hardly stay stable."

China set up the foreign exchange swap market in the early 1980s to open a channel for Chinese enterprises and joint ventures to sell or purchase hard currencies outside the government-allocated quotas. So far, about 80 percent of hard currencies needed in the country's economic activities are traded on the dozens of swap markets across the country.

Under the fluctuating rate system based on supply and demand, the exchange rate in swap centers is seen as the market exchange rate, in contrast to the official rate set and announced every day by the State Administration of Foreign Exchange Control.

At the swap centers expected falls or rises of the RMB [renminbi] yuan often create room for speculation.

"This, in fact is one of the reasons for the instability of the RMB yuan," Tao noted.

The financier said it is time for the state to reform the swap market and establish a standardized one among banks in light of international practice.

Business firms and foreign trade companies should be banned from direct involvement in hard currency trading. They should buy or sell hard currencies to meet their production needs through banks, Tao said.

He explained that to stabilize the yuan the reform of the current foreign exchange quota system should also be put on the agenda.

Under the current system the state allows foreign trade firms to retain 80 percent of the hard currencies they earn for their own use. But they must sell the cash to the state, and the latter gives them coupons in return. With the coupons these firms can buy hard currencies from the state at the official rate.

The foreign trade firms thus become the top sellers on the swap market while the would-be buyers of hard currencies are from all social sectors, including export-oriented enterprises.

"The system makes it possible for foreign trade firms to monopolise the market. That is another factor destabilizing the yuan exchange rate," said Tao.

### **China To Issue Japanese Yen Bonds in Europe**

OW3007153993 Beijing XINHUA in English 1437  
GMT 30 Jul 93

[Text] Beijing, July 30 (XINHUA)—On behalf of the Chinese Government, the Chinese Ministry of Finance will issue Japanese yen-denominated bonds in Europe within this year, according to sources at the Ministry of Finance.

The issuance of the bonds is aimed at collecting funds for national construction projects, the sources said.

This means that China will return to the international financial market to collect funds after six years of suspension—since October 1987, when the Chinese ministry last issued foreign currency bonds in Europe.

### **'News Analysis' on Growth of National Economy**

OW3007142393 Beijing XINHUA in English 1353  
GMT 30 Jul 93

["News Analysis": "For Fast, Stable Growth of China's Economy"]

[Text] Beijing, July 30, XINHUA—Fast but stable and sustained economic development—this is what the Chinese Government aims at in pushing the latest policies for better control of the national economy.

Vice-Premier Zhu Rongji has made it clear that the policies do not mean an economic entrenchment. "There is no need for that because the economy, taken as a whole, is healthy and the problems can be solved by accelerating and deepening the reforms," he told a national conference of China's bank leaders earlier this month.

According to Lai Guangxian, director of the Forecasting Department of the State Information Center, China's economic growth will be 11.1 percent and the total investment around 1,000 billion yuan this year if the latest policies are implemented in earnest. "These figures certainly do not suggest an overall entrenchment," he said.

It is still too early to say whether the government can achieve the best results in striving to improve its macro-control of the national economy, but many experts have noted signs of success, although it is less than one month since the new policies were published.

Real estate business, and stock and futures trading, which once ran wild, are becoming normal. After a plunge in the first six months of this year the exchange rate of the Chinese currency, the renminbi, is experiencing an appreciation. There is a sharp increase in bank savings of rural and urban residents. The prices of rolled



steel, cement and other items in high demand are falling. Moreover, state treasury bonds have been sold out, meaning an alleviation of the government's shortage of funds.

The latest policies for improving the macro-control of the national economy were prompted by a monthly average growth rate of more than 20 percent in China's gross national product between July 1992 and June 1993. In the first six months of this year the country's total investment in fixed assets was 61 percent greater than in the same 1992 period. This caused an acute shortage of funds and overstretched railway transport and supplies of electricity and rolled steel.

In resolving these problems, however, the government, while cutting down on what is considered excessive, has decided to boost the growth of essential sectors.

In the first place, the government strives to concentrate resources on removing infrastructural and other bottlenecks in the national economic development. To be precise, agricultural production, key industrial enterprises yielding good economic results and the 150 construction projects classified by the state as of key importance are receiving priority in the allocation of funds and other resources.

Secondly, in dealing with each specific problem, the government takes an analytical approach. Development zones, for example, are not to be canceled indiscriminately, and those established with the approval of the central authorities will continue receiving government support.

Thirdly, the government will increase its support for geological prospecting and other undertakings fundamental to the national economy. Housing construction, which has an important bearing on the improvement of people's life, will not be affected by the latest policies either.

Thanks to the policy of reform and opening to the outside world, China has boosted its economic strength. The year 1992 alone saw a 60 percent increase in capital investment in tertiary industry, and much of it is already yielding profits. Moreover, electric power projects put into operation in 1992 had a combined capacity of 12.23 million kw, and the year's electricity output was up 10.3 percent over 1991. These objective factors also help prevent an abrupt halt being brought to China's economic development.

For all these reasons, experts compare the government effort to improve the macro-control of the economy to "weight reduction".

"When a person tries to reduce his weight, he aims to acquire the best physical condition," said Dr. Hu Angang of the Chinese Academy of Sciences. "China's economic belt-tightening is aimed at ensuring a fast but stable, sustained development."

In a report jointly prepared with Dr. Wang Shaoguang of Yale University in the U.S., Dr. Hu proposed that the central government play a leading role in China's effort to shift to a market economy. The report has roused the attention of the central authorities.

"A speeding car needs a good braking system, and the fast-developing Chinese economy needs effective central control," he said when discussing the report with XINHUA reporters.

In Hu's opinion the central government needs to be financially powerful. "Only in this way can it ensure fast but healthy development for the country through economic mechanisms," he added. "It is for this purpose that the effort to improve the macro-control of the economy is centered on ending the disorder and confusion in finance, banking, taxation and extension of loans and credits.

Between 1972 and 1989 the proportion of China's central government revenue to the country's gross national product dropped from 19.9 percent to 6.9 percent. In contrast, the corresponding figure rose from 19.1 percent to 23 percent for the U.S. federal government. During the same period the central governments of Japan, Britain, France and Germany also increased the proportions of their revenue to their countries' gross national product.

"In these developed countries—countries already with a full-fledged market economy—an increasingly large proportion of their financial resources is placed at the disposal of the central governments," Hu said.

"This is all the more necessary for China, a developing country where a socialist market economy is in the bud," he said.

#### **'Roundup' on Market Economy, Technology Industry**

OW2907064693 Beijing XINHUA in English 0252  
GMT 29 Jul 93

[Unattributed "Roundup" feature: "Market Economy Boosts China's High-Tech Industry"]

[Text] Beijing, July 29 (XINHUA)—China's emerging socialist market economy has helped speed up the development of the country's high technology industry.

Chinese scientists and businessmen have over the past five years set up more than 5,000 high-tech enterprises throughout the country, whose total output value has surpassed 30 billion yuan (about five billion U.S. dollars).

In 52 high-tech industry development zones approved by the State Council, 5,569 high-tech enterprises in the fields of electronics, information, biology, new materials, new energy sources and the environment protection have been set up.

"Almost all of these enterprises have been set up with loans from the banks or with private capital," an official from the State Commission of Science and Technology said.

Statistics show that of the 9.82 billion yuan in investment funneled into some 3,800 high-tech projects under the national high-tech "Torch Plan," 4.65 billion yuan has come from banks and 5.17 billion yuan raised by the enterprises themselves.

"The state has given virtually no money to these projects," the official noted.

"But the country's policies of reform and opening to the outside world have spurred the rise of high-tech enterprises under various types of ownership," the official said.

Forms of business proprietorship stemming from China's four-decade-long central planning system and subsequent economic reforms include state-owned, collectively-owned, private and individual.

According to the State Commission of Science and Technology, the state has offered favorable treatment to high-tech enterprises in terms of funds, raw materials, taxation, importing and exporting.

Chinese customs has set up duty-free storehouses and duty-free factories in a number of high-tech zones.

The Ministry of Foreign Trade and Economic Cooperation has in principle approved the establishment of an imports and exports company in each high-tech zone. 23 such companies have already been set up.

The State Science and Technology Commission and the State Commission for Restructuring the Economy have jointly decided that foreign enterprises in China can launch stock companies in the high-tech industry.

These preferential policies have expanded the country's exports of high-tech products and promoted the internationalization of China's high-tech industry.

China has set up joint ventures in high-tech industries at home and abroad to facilitate transfers of patented technologies, license trade and compensation trade.

It is expected that by the end of this century, exports of high-tech products will account for at least 10 percent of the country's total exports.

According to the State Science and Technology Commission, China's total output value in high-tech industries will reach 500 billion yuan by the year 2000.

In the next few years, China will also support the development of high-tech industries in the fields of radiation technology, maritime engineering, new chemical medicines and light means of transportation.

#### **Shenzhen Stock Exchange Updates Computer System**

*OW3007161493 Beijing XINHUA in English 1555 GMT 30 Jul 93*

[Text] Shenzhen, July 30 (XINHUA)—The Shenzhen Stock Exchange, one of the only two operating in China, reported a record high transaction volume today, when an updated computer system was put into operation.

The handling speed of the updated system is more than ten times faster than that of the older one, which went into operation in February last year, according to a stock exchange official.

The system was updated to fit the rapidly expanding scale of the stock exchange, he added.

At present, 36 kinds of "A" shares and 17 kinds of "B" shares, valued at some 90 billion yuan at current prices, are traded on the exchange.

Over the past seven months the exchange has handled a transaction value of more than 60 billion yuan, about twice last year's total.

In addition, the exchange now has 115 members outside Shenzhen itself.

### East Region

#### Market Reforms Enliven Anhui's Rural Economy

OW0108082893 Beijing XINHUA in English 0617  
GMT 1 Aug 93

[Text] Hefei, August 1 (XINHUA)—The market reforms featuring the lifting of controls from grain production and prices a year ago have given a big boost to rural economy in east China's Anhui Province, which used to be one of the poorest regions in the country.

Being no longer tied to the land all their lives, a large number of farmers have shifted to non-agricultural sectors. At present there are about five million farmers in the secondary and tertiary industries of the province, accounting for more than one-fifth of the total. The farmers' net income from non-farming activities has increased by 39 percent this year in comparison with 1992.

Meanwhile the production of high-quality rice has doubled.

Rural markets are also mushrooming in the province. So far, more than 4,200 rural markets have been established throughout Anhui, including ten wholesale markets.

The Bozhou Traditional Chinese Medicine Market, the largest of its kind in China, does more than 600 million yuan of business annually.

The province has more than 200,000 ex-farmers now working as salesmen and some 100,000 others dealing in information. Their annual incomes are generally ten times more than those of ordinary farmers.

#### Jiangsu Imports More Capital Goods, Technology

OW3107111493 Beijing XINHUA in English 1029  
GMT 31 Jul 93

[Text] Nanjing, July 31 (XINHUA)—Jiangsu, one of China's most developed provinces, has imported more capital goods and advanced technology in the first half of this year, according to a survey report released here today.

According to the report, the imports of the province grew by 90 percent in the first half of this year over the same period of last year to about one billion U.S. dollars.

Of the total imports, the proportion of capital goods rose to 85.6 percent and that of materials for livelihood dropped to 14.4 percent.

Located in the Yangtze River Delta in east China, Jiangsu has launched a major drive of developing foreign trade since the introduction of reform and open policy. Its two-way trade volume rose from nine million U.S. dollars in 1978, a year before China began the national reform and opening campaign, to 1.58 billion U.S. dollars last year.

#### Excessive Commodity Price Increases Curbed in Jiangsu

OW3107121993 Nanjing Jiangsu People's Radio  
Network in Mandarin 2300 GMT 23 Jul 93

[From the "News" program]

[Text] The provincial government recently issued a circular deciding to adopt measures to strengthen macro-economic control and curb excessive commodity price increases. Since the beginning of this year, the overall economic situation in this province has been good. However, high economic growth is accompanied by excessive commodity price increases.

In order to maintain rapid and sound economic development in the province, the circular calls on local governments to abide by a series of important policies issued by the central authorities on current economic work; to include commodity prices in their macro-economic control system; and to earnestly ensure overall economic balance. It urges local governments to deepen reforms and apply economic, legal, and administrative means to exercise prompt regulation and control so as to curb the excessive rising trend of commodity prices. The emphasis of regulation and control is on means of subsistence, such as staple and non-staple food.

The circular emphasizes: To prevent market price hikes from getting out of control, it is necessary to adopt administrative intervention. The prices of 24 commodities and fees for household electric appliance repairs are subject to control under a new system which requires enterprises to report price increases to the authorities for the record, and which lets commodity price departments reserve the right of intervention. The commodities include eight kinds of food—grain and its products, edible oil, pork, eggs, milk, sugar, soy sauce, and beer; it also includes 16 large commodities and consumer goods—washing machines, refrigerators, color television sets, household air conditioners, water heaters, electric fans, bicycles, detergent, aluminum pots, toilet paper, light bulbs, fluorescent lamps, notebooks for students, cotton and woolen sweaters, T-shirts, and cotton wadding. The government may exercise temporary price differential controls or establish price ceilings for certain commodities of which supply and demand are abnormal in the market or the price increases are excessive.

The circular reiterates: Governments at various levels should attach great importance to commodity price issues, firmly strengthen their leadership, and further implement the system of responsibility for attaining price control objectives. All localities must not make any new commodity price and service fee hikes within this year.



### Shandong Governor Discusses Enterprise Management

SK3107080793 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 29 Jul 93

[Text] Zhao Zhihao, deputy secretary of the provincial party committee and governor of the province, delivered a speech at the provincial work conference on enterprise management on 29 July. In his speech he stressed: Through the deepening of reform, we should actively explore the ways of enhancing the enterprise management under the market economy and bring about a strategic change to the province's enterprise management.

The letter written by Jiang Chunyun, secretary of the provincial party committee, to the work conference was read at it. In his letter Jiang Chunyun gives his directives on the issue of how to enhance the enterprise management under the new situation.

In his speech Zhao Zhihao pointed out: Improving the enterprise management to another new level represents a pressing need for the province to develop its economy quickly and satisfactorily. We should follow the road of conducting combination among inheritance, lesson drawing, and the blazing of new trails and adapt ourselves to meeting the demands of the socialist market economy. To make a success in this regard, we should uphold the integration between management and reform, between management and opening up, and between the strict running of plants and scientific management. We should also integrate the enhancement of management with the deepening of the binding mechanism.

Zhao Zhihao urged in his speech that we make all-out efforts to do a good job in technical renovations and structural readjustment by regarding the increase of economic results as a center. He said: Judging from the situation, our province existed or is existing the problems of neglecting economic results. While maintaining the fast-speed economic growth at present, we must truly orient the guiding ideology of the economic work onto the track of increasing economic results. The current work of technical renovations should be carried out in line with the following three principles: 1) We should concentrate our funds on protecting the key projects. 2) A good job should be done in planning a large number of projects of products with intensive processing, in carrying out the renovations of linking up parts to form a whole, and in conducting seriation renovations. 3) We should establish or improve the policy decisions on investments and the mechanism of supervision and restriction and resolutely bring the overly large investment in non-productive projects under adequate control by adopting comprehensively economic, legal, and administrative measures for readjustment and control. We should take a large step in readjusting the structure. An emphasis of readjusting the organizational structure of enterprises should be placed on developing enterprise groups and strengthening the standardized economy.

Zhao Zhihao said: At the work conference, the provincial party committee and the provincial people's government have put forward their opinions on accelerating the establishment of groups among key enterprises and their ideas relating to guiding ideology, policies, and measures in accelerating the development in this regard. Various localities should reinforce or support the policies so as to enable enterprises and groups to grow in strength and achieve development as soon as possible.

Chen Jianguo, vice governor of the province, also delivered a speech at the work conference.

### Shanghai Auto Industry Registers Record Growth

OW3107111393 Beijing XINHUA in English 1035 GMT 31 Jul 93

[Text] Shanghai, July 31 (XINHUA)—The auto industry in China's largest economic center of Shanghai has developed steadily and swiftly since the beginning of this year.

The industry's sales in the first six months of this year amounted to 13.6 billion yuan, up 70 percent over the same period of last year, and the profits and taxes delivered to the state reached 1.81 billion yuan, up 77 percent.

The output of its leading product, the Volkswagen Santana sedan, soared to 47,000 in the first half of the year, up 50 percent over the same period of last year. Increases were also registered in the production of motorcycles, tractors and diesel locomotives.

An official of the Shanghai Motor Vehicle Industrial Corporation said that the annual output of Santanas is expected to reach 100,000 this year.

At present, the corporation plans to import advanced machine parts for motor vehicles so as to upgrade its products.

### Shanghai Continues To Rent Land-Use Rights

OW3107155093 Beijing XINHUA in English 1517 GMT 31 Jul 93

[Text] Shanghai, July 31 (XINHUA)—Another plot of land, which covers 4,984 square meters, in the heart of Shanghai was rented out today.

Since the beginning of this year the local authorities have leased the land-use rights to some 100 plots of land.

A company from Macao and the construction corporation of Shanghai's Huangpu district jointly acquired the 50 year use right for the land at the price of 618 U.S. dollars per square meter.

Commercial buildings with a total floor space of about 37,000 square meters will be built on the land.

In addition, the Land Administration of Shanghai is inviting tenders for 10 more plots of land.

### Shanghai Builds Large Underground Power Substation

OW3107154493 Beijing XINHUA in English 1456 GMT 31 Jul 93

[Text] Shanghai, July 31 (XINHUA)—China's first large underground power substation in a downtown area went into operation here today.

The 220 kv substation was built to alleviate the electricity shortage in China's largest metropolis. The first 240,000 kva [kilovolt amps] transformer began to transmit power today after 72 hours of trial operation.

The substation, which covers 9,400 sq m and is located beneath the People's Square in the heart of the city, has a capacity of 720,000 kva. The major part of its equipment was imported.

China intends to build more power substations of this kind in big cities.

### Li Zemin Addresses Zhejiang Banking Meeting

OW3107101093 Hangzhou ZHEJIANG RIBAO in Chinese 20 Jul 93 p 1

["Implement the Guidelines of the National Banking Conference To Promote a Sound Economic Development in This Province—the Provincial Banking Work Conference Opens in Hangzhou"]

[Excerpts] A provincial banking work conference opened in Hangzhou yesterday. The central topic discussed was how to seriously implement the guidelines of the national banking conference to promote a rapid and sound economic development in this province.

Executive Vice Governor Chai Songyue presided over the conference and conveyed to the conferees the speech delivered by Zhu Rongji, vice premier and governor of the People's Bank of China, at the national banking conference.

Li Zemin, secretary of the provincial party committee, spoke on ways to implement the guidelines of the national banking conference. He pointed out: The national banking conference has decided on such policy measures as rectifying banking order, strictly enforcing banking discipline, promoting banking reform, and strengthening macro-control. These measures, which are important part of the decrees of the Party Central Committee and the State Council, must be resolutely implemented not only by banks but also by the party committees and governments at all levels. [passage omitted]

On ways to keep to a correct orientation of investment, readjust and optimize investment pattern, and ensure that major demands are met, Li Zemin said: The current rectification of banking order is not all-around retrenchment. It is a readjustment of the investment targets in accordance with the government industrial policy to

optimize the investment pattern. Funds for justified spendings should be guaranteed. [passage omitted]

Governor Wan Xueyuan affirmed in his speech the achievements made by Zhejiang's banking department in vigorously organizing savings deposits, ensuring timely availability of funds for purchasing agricultural and sideline products, issuing no IOU's to peasants, and guaranteeing funds for major construction projects. [passage omitted]

Some 1,000 people attended the conference. They included city mayors and prefectural commissioners in charge of banking affairs [as published]; directors of provincial, city, and prefectural people's banks and specialized banks; managers of insurance companies; and leading cadres of relevant provincial departments and bureaus.

Vice Governors Zhang Qimei and Xu Zhichun attended the conference.

### Central-South Region

#### Sanbaimen Port Trial Zone Established

HK3007124193 Beijing ZHONGGUO XINWEN SHE in English 1122 GMT 30 Jul 93

[Text] Shantou, July 30 (CNS)—The Guangdong provincial government recently approved the setting up of the Sanbaimen Port Economic and Development Trial Zone. The zone will have an area of ten sq. kilometres.

The port of Sanbaimen is in Raoping County, Chaozhou City and is the city's only port.

The provincial government has urged the Chaozhou authorities to come up with a good overall plan for the zone, saying that it could conform to its capabilities and the examination and approval of the land items there must be conducted in a strict way.

The trial zone will help in making Sanbaimen a modern port city and will aid in the development of the economy of Chaozhou. Preparations for the zone have already got underway.

#### Shenzhen Officials Said Resisting State Austerity Plan

HK3107041593 Hong Kong THE STANDARD in English 31 Jul 93 p 5

[Report by Angel Lau]

[Text] An investigation team from Beijing is encountering strong resistance from government officials in Shenzhen, where the stock market has taken a battering under the national austerity move, informed sources said. Shenzhen deputy mayor Zhang Hongyi, responsible for stock market and financial affairs, recently asked

Beijing to be more lenient and exempt the city from recalling all loans by mid-August, sources in Shenzhen told THE STANDARD.

One of the most draconian measures of the 16-point austerity program initiated by Beijing to restore financial discipline on the runaway economy calls for all bank loans made for speculative purposes to be repaid within the next few weeks.

Zhang made the call for leniency at a meeting he convened of institutional and big individual investors. He also appealed to the investors to "help maintain the stock market's reputation", the source said. The deputy mayor told the meeting that buying stocks should be considered a long-term investment instead of a get-rich-quick scheme. As a result, it would be in their interests to safeguard the reputation of Shenzhen stock market in order to attract future local and foreign investors. Zhang's speech was interpreted as a move to stop the stock market from tumbling further. The Shenzhen market dipped as much as 15 points a week after Beijing announced the austerity plan. However, the fall seems to have abated with prices rising over the last two days.

Zhang's move also underlined the fact that Shenzhen authorities would adopt their own measures to counter the effects of the austerity drive. Economists warned earlier this month that indiscriminate nationwide decrees could bring disaster as the provinces were at various stages of development. They said local circumstances must be considered when implementing austerity measures.

Since the program was announced on 3 July, the central government had dispatched 20 investigation teams to see how local cadres were implementing Beijing's orders. In addition to the call on loans, new stock market listings would be much more tightly controlled. It was reported earlier this month that some of the investigation teams had met "passive resistance" as cadres appeared to be paying lip service to central edicts. It was said some regional officials even refused to acknowledge the need for an austerity plan.

#### **Shenzhen Accelerates Enterprise, Financial, Legal Reforms**

*OW0208105193 Beijing XINHUA Domestic Service in Chinese 2120 GMT 31 Jul 93*

[By reporters Huang Yanglue (7806 2254 3970) and Chen Anming (7115 1489 2494); XINHUA Domestic Service in Chinese at 1402 GMT on 1 August transmits a message asking all newspapers to "temporarily suspend" the following item]

[Text] Shenzhen, 1 Aug (XINHUA)—This reporter recently learned from Li Youwei, secretary of the Shenzhen City CPC Committee and mayor of Shenzhen, that

Shenzhen will quicken the pace of reform of its enterprises and its financial and legal systems to build a socialist market economic system by the earliest date possible.

In enterprise reform, Shenzhen has formulated eight measures: First, it will use the development and improvement of the way for practicing the public ownership system as the core of reform of its state-owned enterprises, and it will clearly define property rights to develop a new system for managing state assets by reforming the current joint-stock enterprise system. Second, it will quicken the step of transforming enterprises' operating mechanisms. Third, it will gradually transform state-owned enterprises into joint-stock companies or limited-liability companies—to get rid of the practice of enterprises eating from the state's big rice pot by changing the current system. Fourth, it will eliminate the difference in state enterprises' administrative levels and develop an enterprise appraisal system based on an enterprise' operational scale and efficiency in order to establish a system for categorizing and grading enterprises. Fifth, it will further encourage the transfer of enterprises' property right, let enterprises declare bankruptcy according to the law, establish as soon as possible intermediary organs to handle enterprises' bankruptcy, reorganize the basic requirements of production work, and enable production work to be organized using selected resources. Sixth, it will nurture a number of competitive enterprises in the special economic zone and encourage them to actively tap into international markets. Seventh, it will institute an across-the-board labor contract system in enterprises, eliminate the differences between enterprises' "cadres" and "workers," call enterprises' cadres and workers "enterprise personnel," and establish a personnel system that gives all enterprise personnel a chance to get promoted and a risk of getting demoted. Eighth, it will select eight large and medium-sized industrial enterprises for experimenting with the aforementioned reforms and other supplementary reform measures to gain experience so that these reforms can be carried out throughout the city as early as possible.

According to a source, on the basis of its successful financial reform over the last few years, Shenzhen will embark on a new round of the reform of its financial system. It will start by carrying out an extensive system of risk management associated with bank assets. It will make active efforts to manage specialized state banks as enterprises, make these banks more commercialized, and reorganize them into joint-stock-based enterprises; it will allow more foreign banks to set up branches and to establish Sino-foreign joint venture banks and insurance companies in Shenzhen; it will actively prepare to establish science and technology banks based on the joint-stock system; it will step up the development of a futures market, gold market, foreign exchange market, and other financial markets; it will quicken the pace in building a stock market, improve its stock market management system, further increase its stock exchange capacity, and



expand the scale of its stock market; and it will accelerate the process of internationalizing and modernizing its financial institutions' operations to enable them to fit smoothly into the international financial market. At the same time, it will enhance its ability to regulate and control, it will readjust the structure of its credit loans, and it will strive to reduce bad debts and "dead debts," in order to improve the efficiency of fund utilization.

To preserve and consolidate the results of reform and opening up, Shenzhen will make full use of the legislative authority that the city has been empowered with by the National People's Congress to accelerate economic legislation, to build a socialist market economic order, and to create a legal environment needed by a modern international city.

According to economists, as reforms in the three aforementioned areas deepen and accelerate, Shenzhen will gradually develop and refine five market economic systems: a market system made up of a commodity market, a market consisting of the basic requirements of production work, and a property rights market; a semigovernmental and semi-enterprise multifunction social services system at various levels to develop productive forces; a legal system; a social security system that includes retirement insurance, unemployment insurance, housing insurance, and medical insurance; and a macromanagement and macroregulation and control system. To accommodate these systems, the functions of the government's economic management will undergo five transformations: a transformation from direct management to primarily indirect management; a transformation from micromanagement to macromanagement in principle; a transformation from departmental management, which is based on individual departments and regions, to the management of society as a whole; a transformation from applications examination and approval management to management primarily based on market mechanisms; and a transformation from physical management to value management.

#### Shenzhen Major Indicators Show Double-Digit Growth

HK0208120793 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1343 GMT 19 Jul 93

[By correspondent Li Hang (2621 5300): "Major Economic Indicators in Shenzhen Increased at a Double-Digit Rate in the First Six Months of This Year"]

[Text] Guangzhou, 19 Jul (ZHONGGUO XINWEN SHE)—In the first half of this year, Shenzhen continued to carry out reform in depth, expand opening, and promote the transformation of enterprise operational mechanisms. Its major economic indicators maintained a double-digit growth rate.

According to data of the city's statistical bureau, in the first six months of this year, the city's total industrial output value reached 20.8 billion yuan, an increase of 39.22 percent over the same period last year; this

included 44.148 billion yuan in export value, and 14.448 billion yuan in output value produced by foreign-funded industrial enterprises, separately increasing by 33.4 percent and 42.8 percent over the same period last year.

In the first half of this year, Shenzhen's gross retail sales reached 7.149 billion yuan, an increase of 37.5 percent over the same period last year. Financial revenue reached 2.452 billion yuan, an increase of 37.5 percent, and the total volume of imports and exports reached \$5.487 billion, increasing 15.6 percent over the same period last year.

#### Foreign Investments in Hainan Increasing

HK3007152093 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1256 GMT 29 Jun 93

[Text] Haikou, 29 Jun (ZHONGGUO XINWEN SHE)—Hainan Province has registered a large increase in utilizing foreign capital this year. From January to May, the province signed more than 1,400 contracts on joint ventures, wholly owned foreign enterprises, and cooperative enterprises, an increase of 3.5 times over the same period last year, with the total investment amounts of \$2.174 billion; the foreign capital actually utilized was \$180 million, an increase of 92.2 percent over the same period of last year.

According to a press report here, of the contracts on foreign-invested enterprises signed with Hainan in the first five months of this year, more than 1,140 were on wholly foreign-owned enterprises, or 80.4 percent. The investment amounts prescribed by the contracts were \$1.28 billion, 58.9 percent of the total. Foreign investments on each project averaged \$1.11 million, an increase of \$300,000 over the same period last year.

From January to May this year, the foreign capital utilized by the province for investment in real estate, public facilities, and service trades amounted to \$120 million, an increase of 1.9 times over the same period last year. Investments in Hainan from outside the borders mainly came from Hong Kong and Taiwan. New investments from Hong Kong amounted to \$136 million, an increase of 1.5 times over the same period last year. Taiwan invested \$18 million, an increase of 69.4 percent.

#### Activities of Hubei Governor Jia Zhijie Reported

##### Addresses Financial Meeting

HK0108022093 Wuhan Hubei People's Radio Network  
in Mandarin 1000 GMT 25 Jul 93

[Text] The four-day provincial financial work meeting ended in Wuchang on 24 July. On behalf of the provincial party committee and government, provincial party Deputy Secretary and Governor Jia Zhijie made a concluding speech. He stressed: On the basis of studying the guidelines laid down by the central authorities, reaching a consensus, and defining the focus and measures of

strengthening macroscopic regulation, we must unswervingly proceed from Hubei's actual conditions to creatively implement the central authorities' major policy decisions. Keeping the general objective of seeking development in mind, we must strengthen the environment of macroscopic regulation, cherish the opportunity, seize it, and utilize it properly. invigorate the economy amid the tense financial situation, make progress amid difficulties, spare no effort to blaze new trails, and vigorously promote development. We must maintain the good trend of development in our province's national economy.

After making a full analysis of our province' current economic situation and problems, Jia Zhijie said: The starting point of our province's macroscopic regulation must be expressed in development and must be conducive to development. He said: We must grasp the central authorities' major policy decisions from the positive side, and never should we set regulation against development. The effect of macroscopic regulation must be tested by the criteria of development. Only when current economic conflicts and problems are settled after strengthening macroscopic regulation and the good trend of constant rapid and healthy economic development is maintained can we be regarded as having truly grasped a thorough understanding of the guidelines laid by the central authorities. Only then can we implement them in a good way.

Jia Zhijie briefed the meeting on the fact that our province had been maintaining a strong momentum of development in economic construction since the beginning of this year and outlined the remarkable characteristics. After that, he pointed out: The quality of current economic operations in our province is good. Economic development has been accomplished on the basis of establishing (the market), deepening reform, transforming the mechanism, optimizing the structure, and improving benefits. The investment rate this year is within the reasonable limit, and, in any case, will become the best period in history. The pace achieved is a real and efficient one. We should strive to improve the pace of growth as much as we can. Regarding this point, the whole province, from the leadership to the rank and file, must reach a consensus and cherish very much the hard-earned good situation. Various localities must proceed from their actual conditions to insist on upholding the dialectic and to avoid imposed uniformity. They should discover problems accurately in a down-to-earth manner and solve any problem that exists. They should never indiscriminately apply theories to just any case in disregard of the real circumstances. As far as concrete operations are concerned, we must take vigorous measures to solve problems of macroscopic regulation and pay attention to safeguarding, guiding, and giving play to the enthusiasm of the cadres and the masses for economic development. We should control things which should be controlled and lift restrictions on things which should not be restricted. We should strive to accomplish concrete things in a better way under the circumstances of strengthening macroscopic regulation.

Jia Zhijie stressed: Party and government leaders in various localities in our province must support financial departments to accomplish the work of rectifying the financial order and enforcing financial discipline in six respects.

The six respects were as follows: We must resolutely control the amount of credit and money supply in the state plan issued to lower levels. We must resolutely rectify the malpractices of granting loans in violation of the regulations. The order was issued to retrieve loans granted in violation of the regulations by 15 August. Governments at all levels should organize auditing and other departments to track down loans that were granted in violation of regulations but which have not yet been retrieved. We must resolutely put an end to arbitrarily raising and changing interest rates and must punish in accordance with the relevant stipulations those who violate regulations and discipline. We must resolutely stop financial organizations from arbitrarily setting up economic entities, must conscientiously consolidate various economic entities initiated by financial organizations throughout the province, and must retrieve within a set time credits and funds that have been invested. Economic entities must sever their links with banks in terms of personnel matters, financial affairs, and funds. We must resolutely guarantee that the channel for settling accounts is not blocked. The urgent task is to resolutely investigate and mete out punishment for practices that violate the law and social rights and interests. We must thoroughly establish an account-settling and reserve fund system, form an account-settling center with the People's Bank as the main body, and gradually solve the problem of funding shortages, which have been triggered over the years. We must resolutely put an end to various arbitrary fund-raising practices. We must work hard to increase incomes and spend less, put an end to the tense financial situation, and conscientiously readjust the investment structure, ensuring that efforts are made to accomplish key construction projects.

Jia Zhijie said: To strengthen and improve macroscopic regulation, we must have a good grasp of the momentum of regulation. First, we must make a distinction between normal and unlawful loans borrowed, between reasonable and arbitrary fund-raising practices, between loans granted within the credit scale and beyond the plan, and between assessment within and beyond the investment scale. Second, we must rectify things in a resolute manner, and we should never relax even to the slightest degree. Third, we must insist on everything that we should uphold, invigorating finance as well as the economy. The regular business of granting loans must be expanded, and the scope of fund-raising and bond-issuing must be broadened in accordance with state stipulations. Funds must first be granted to key construction projects, which must be conducted as a top priority, thus enabling the economy to develop in a rapid and positive manner.

Speaking on the correct way to handle the relationship between regulation and development and the development of the national economy, Jia Zhijie linked it to the actual conditions in our province. He stressed: Under the environment of strengthening macroscopic regulation, departments at all levels must truly manage to invigorate the economy and seek development amid the tense financial situation. We must practically and unequivocally handle the following several problems properly.

First, to expedite development, we must conscientiously focus on deepening reform, transforming the mechanism, restructuring organizations, and improving benefits. We must both intensify and expedite reform. We must intensify 1) reform, 2) opening up, 3) organizational restructuring, and 4) technological transformation. We must expedite reform. We must implement such measures as deepening reform, opening up wider, optimizing the structure, and strengthening technological transformation to expedite the development of our province's national economy and to fulfill—or overfulfill—the objective of the three overfulfillings and one improvement, which were laid down by the provincial party committee and the provincial government early this year.

Second, we must strictly implement the measure of guaranteeing six tasks and preventing five phenomena. Specifically, we must guarantee deposits and savings; the supply of funds for purchasing agricultural sideline products; the needs of circulating funds for state-owned industrial enterprises with good benefit; the needs of funds for the construction of infrastructure and [words indistinct] industry; the supply of funds for key technological transformation; and construction funds for 21 key construction projects and key projects in various prefectures, cities, and autonomous prefectures. We must prevent loans granted beyond the plan; loans granted to enterprises without benefit; the improper use of funds for settling accounts; funds being unreasonably and improperly used to finance special projects; and the improper use of funds by enterprises in the red. These measures must be implemented in strict accordance with these requirements.

Third, we must resolutely uphold the principle of keeping six things unchanged without recalling powers already delegated to local levels. The six things to remain unchanged are as follows: 1) The pivotal position of Wuhan City in the economic development of the whole province remains unchanged; 2) policies and principles to invigorate large and medium enterprises, which have been introduced, remain unchanged; 3) the already adopted principle of developing township and town enterprises remains unchanged; 4) the province's objective of three overfulfillings and one improvement for this year remains unchanged; 5) the strategic principle of opening up wider, attracting foreign capital, and vigorously developing foreign-invested enterprises remains unchanged; and 6) the policy and principle of encouraging the development of non-public-owned economies

remains unchanged. Various powers already delegated to enterprises in various prefectures and cities will not be recalled. What needs to be specifically pointed out is that, although Wuhan City is no longer a city separately listed in the state plan, all powers that the state has already delegated to Wuhan City to develop the economy will not be recalled by the provincial authorities. The purpose of this is to facilitate the development of Wuhan's economy in a faster and better way, thus effectively giving play to Wuhan's pivotal role in the national economy of the province.

Fourth, we must stress settling the conflicts caused by funding shortages. 1) We must attract funds from two sides and strive to use funds currently available in an efficient and flexible way. 2) We must give full play to the role of the joint stock system and put it to use in raising funds and broadening investment channels. 3) We must broaden the scope of raising funds from beyond the province and must conscientiously strengthen the pace of attracting and utilizing foreign capital. In particular, it is necessary to arrange for the implementation of the 261 projects for which our province has recently invited investment in Hong Kong as the key to opening up wider. We must also broaden the channels of utilizing foreign capital must and more frequently utilize the loans granted by the World Bank and the Asia Development Bank as well as international commercial loans. We must create conditions to develop bond and stock business outside the province, to introduce foreign-invested banks, and to explore international financial business.

Jia Zhijie finally stressed: Exploring and properly implementing the central authorities' major policy decisions is a serious task which has political significance as well as a very tough job. We must strictly enforce discipline and ensure the smooth implementation of government decrees. The provincial government has decided to set up a leading group of macroscopic regulation, which will be headed by the governor and two vice governors and will be joined by leading cadres of the concerned departments responsible for macroscopic regulation. Its purpose will be to strengthen leadership over macroscopic regulation and to coordinate, examine, and supervise the work. Various localities and the departments concerned must expedite the work of establishing corresponding leading groups to strengthen leadership and supervision over macroscopic regulation. We must integrate the work of strengthening macroscopic regulation with the work of fighting corruption and advocating clean government and insist on paying attention to both tasks at the same time so that the masses will widely support us.

The meeting was chaired by provincial party Deputy Secretary Hui Liangyu. Chen Ming, secretary of the Provincial Commission for Discipline Inspection; Vice Governors Han Nanpeng, Wang Shengtie, Chen Shuiwen, and Su Xiaoyun, who were in Wuhan; Zhang Hongxiang, secretary general of the provincial party committee; and (Zhou Jianrui), secretary general of the



provincial government, attended the meeting. The president of Hubei Province's branch of the People's Bank, the presidents of various professional banks, and the general manager of the provincial insurance company sat at the rostrum. Commissioners of various autonomous prefectures, mayors, heads of various prefectures, leaders attending the provincial bank governor conference, and leading cadres of departments, offices, commissions, and various concerned departments and bureaus listened to Governor Jia Zhijie's concluding speech at the Hongshan assembly hall.

#### **Announces Clean Administration Regulations**

HK0208071593 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0731 GMT 30 Jul 93

[By reporter Zhang Dunhua (4545 2415 5478)]

[Text] Wuhan, 30 Jul (ZHONGGUO XINWEN SHE)—At the First (Enlarged) Session of the Eighth Hubei Provincial Government, Governor Jia Zhijie announced the "Regulations for Governor and Vice Governors to Run a Clean Administration."

The "Regulations for Governor and Vice Governors to Run a Clean Administration" announced by Jia Zhijie were formulated at the first executive meeting of the provincial government. The regulations include:

- They must not engage in a second profession and receive rewards;
- Except as arranged by the organization, they must not take any practical or honorary posts in enterprises concurrently;
- They are not allowed to accept gifts, shares, or negotiable securities or engage in stock transactions; and
- They must not reimburse personal expenses to the grass-roots level units or enterprises.

Jia Zhijie urged government officials at all levels of the province to follow the four-point regulations.

#### **Southwest Region**

##### **Sichuan Flooding Traps Tourists on Mountain**

HK3107051593 Beijing CHINA DAILY in English 31  
Jul 93 p 3

[By staff reporter Liang Chao: "Emei Floods Trap Tourists"]

[Text] Hundreds of Chinese and foreign tourists are trapped on Mount Emei—one of the country's top tourist attractions—following devastating floods.

More than 7,000 residents in Emei City and its four neighbouring counties have been stranded by flash floodwater.

At least 41 people are reported dead with 84 still missing and nearly 900 others injured after heavy rain battered the city in southwest China's Sichuan Province.

Wang Huacheng, an official with the Sichuan Provincial Flood-Control Office, told China Daily yesterday that authorities were trying to evacuate the hundreds of tourists who were trapped on or around the mountain after all access roads into and out of the city were cut off.

Mount Emei is one of China's four "Buddhist sites" and its mist-shrouded peaks and monkeys are a major tourist attraction.

The city's railway station was inundated in 1.5 metres of floodwater after storms dumped 524 millimetres of rain on the area in the last two days.

Meanwhile, a freight train derailed near the city on the Chengdu-Kunming Railway was wrecked as a 100-metre long railway bed was washed away.

The devastation has affected 71 townships and caused damage estimated at 158 million yuan (about \$28 million). More than 2,100 enterprises were forced to close and more than 35,500 houses either collapsed or were damaged, leaving at least 2,200 people homeless.

"It is the worst downpours and rainstorms seen in the city's history," Wang said.

The devastation has affected 71 townships and caused damage estimated at 158 million yuan (about \$28 million).

"It is the worst downpours and rainstorms seen in the city's history," Wang said. The Emei municipality is urging the central government to earmark emergency funds for a relief operation.

##### **Sichuan Reports Anticorruption Measures**

HK3007153593 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1209 GMT 15 Jul 93

[By correspondent Xiao Longlian (5618 7893 5114)]

[Text] Chengdu, 15 Jul (ZHONGGUO XINWEN SHE)—Sichuan provincial Governor Xiao Yang "made a few ground rules" with party and government officials earlier this year as the representative of the new provincial government at the First Session of the Eighth Provincial People's Congress. The move drew enthusiastic responses at home and abroad. Specifically, how do we enforce the "three prohibitions" and strengthen efforts for clean government? The Sichuan Provincial CPC Committee and provincial government offered an opinion on the implementation.

The "three prohibitions" put forward by Xiao Yang are: No government officials are allowed to have a second job, to have anything to do with stock markets, or to line their own pockets by having personal expenditure paid by subordinate units.

The Sichuan Provincial CPC Committee and provincial government recently approved and conveyed the "Opinions of the Sichuan Provincial Commission for Discipline Inspection and Provincial Supervisory Department on the Implementation of the 'Three Prohibitions' on Party and Government Workers," which consists of 14 items. Chief among them are:

- "No second jobs are allowed." This demands that party and government officials be professional and dutiful. Party and government officials at or above the county level are prohibited from working part time with or receiving rewards from economic entities. No party or government official can take on a second job under any pretext, or commandeer government transportation or communication facilities, or use information, messages, or other facilities for their second jobs. Government-sanctioned book projects or writing articles for newspapers do not count as second jobs.
- "No involvement in stock markets." This means that officials at or above the bureau and departmental levels and those working in securities management, operations, and issuance are forbidden from purchasing stocks. Party and government organs and their workers are forbidden from demanding, forcefully buying or selling stocks or warranties, or assisting others in such transactions with official powers or through other improper means. They are forbidden from any voluntary stock or warrant transactions. Stock purchases and speculation with loans or public funds, for whatever reason and in whatever form, are strictly prohibited. Insider trading, with the help of information acquired through official powers, and stock manipulation are strictly prohibited.
- "No officials are allowed to line their own pockets by having subordinate units pay for personal expenditure." No officials are allowed to line their pockets under any official pretext; for example refusing to discharge one's duties when receiving no personal benefits. Workers of party and government organs are strictly forbidden from passing their personal and family expenditure—for example renovation of their residence to their own requirements, personal travel, expenses for household and consumer goods, educational expenses, which should be footed by officials themselves—to grass-roots or subordinate units to be written off as public expenditure.

The "Opinions" also provides four rules to handle party and government officials who have violated the "three prohibitions." Violators will be criticized, educated, disciplined, or even turned over to law-enforcement agents to be handled according to law.

#### **Tibet Promotes Rural Development Program**

OW0208095593 Beijing XINHUA in English 0854 GMT 2 Aug 93

[Text] Lhasa, August 2 (XINHUA)—The Tibet Autonomous Region in southwest China is pushing ahead a

comprehensive rural development program to improve the conditions for growing crops, forage grass and trees.

The program consists of eight separate rural comprehensive development zones, which will focus on improving water conservancy facilities to raise the yields of farm and pasture land.

In the first-phase development project, which consists of two development zones in Lhunzhub and Namling counties, the regional and county governments have invested 41.9 million yuan (about 7.36 million U.S. dollars) in improving 3,200 ha [hectares] of farmland and 2,900 ha of pasture land and planting 1,000 ha of trees.

With the development project, the two counties have succeeded in checking the damages to farmland, water channels and roads caused by soil erosion, mud-rock flow and flooding.

#### **Foundation for Elderly Begins in Tibet**

OW3107154293 Beijing XINHUA in English 1506 GMT 31 Jul 93

[Text] Lhasa, July 31 (XINHUA)—The Tibet Foundation for the Aged was set up today in this capital of southwest China's Tibet Autonomous Region.

As a non-governmental and non-profit organization, the foundation will solicit donations from social organizations and individuals to improve the welfare for the aged and conduct exchanges and co-operation with overseas and domestic old people's organizations.

So far, the foundation has received donations of 1.32 million yuan.

Tibet has 160,000 retired people over the age of 60, making up nearly eight percent of the region's population.

#### **Yunnan Vice Governor on Economic Development**

HK0208074093 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 30 Jul 93

[Text] At yesterday's forum attended by chairmen of prefectural, autonomous prefectural, and city economic restructuring committees in Yunnan, Vice Governor Li Jiating emphasized that the province's reform and development has now entered a new era. The broad ranks of cadres and masses should have a clear understanding of the situation, face problems squarely, and seize the opportunity to deepen the reform and accelerate the province's economic development.

Vice Governor Li Jiating said: Since the beginning of this year, as far as Yunnan's reform and opening up is concerned, marked achievements have been made in changing enterprises' operational mechanisms; new development has been observed in the readjustment of industrial structure and organizational structure, experiments on the joint stock system, and various markets of commodities and production elements; institutional

reform has begun; the social security system has been set up gradually; the reform of the housing system has fully unfolded; comprehensive reforms at the county level and financial restructuring have made new progress; and the opening up has further expanded, with foreign trade and border trade in good shape.

Li Jiating said: While Yunnan's economy is undergoing sustained and rapid development, some new contradictions and problems have emerged. The ultimate way out of these contradictions and problems is, revolving round the objectives of the socialist market economic system, to speed up economic restructuring.

He called on all cadres and workers province-wide to strive to help promote economic development with the new approach, methodology, and means associated with the socialist market economy; maintain the overall stability of the economy; and promote coordinated and rapid economic development.

### North Region

#### Beijing Secretary Speaks at Municipal Rally

SK2907130593 Beijing BEIJING RIBAO in Chinese  
1 Jul 93 p 2

[Speech by Chen Xitong, secretary of the Beijing Municipal CPC Committee, at a 30 June municipal rally to commend outstanding party members: "Be a Steadfast Communist"]

[Text] Comrades:

At the time when we commemorate the 72th founding anniversary of the CPC, it is very meaningful for us to select and commend the Communist Party members who have made outstanding contributions to reform, opening up and the socialist modernization. On behalf of the Beijing Municipal CPC Committee, let me extend warm congratulations to comrades who have been carefully appraised and selected by the more than 60,000 grass-roots party organizations and 1 million party members across the municipality to receive the title of the "10 outstanding" Communist Party members of the Beijing Municipality and cordial regards to the Communist Party members working on all fronts and the workers charged with party affairs across the municipality.

From its founding to the present, our party has traveled a fighting course of 72 years. Historical experiences have proved and must continue to prove that without the Communist Party, there would not have been a New China, the strong leadership of the CPC, the unceasing liberation and development of the socialist productive forces, the comprehensive social progress and the socialist modernization. In a speech given at the forum to commemorate "1 July," Comrade Jiang Zemin pointed out: "The key to uniting with the more than 1.1 billion people, further emancipating and developing the

socialist productive forces through reform, concentrating energy on pushing the economy forward, and realizing the grand objective of socialist modernization lie in the party; the key to deepening reform and successfully building the socialist market economy system which is unprecedented in the human history lie in the party; the key to upholding the two-handed approach and doing a good job in building the two civilizations lie in the party; and the key to maintaining social and political stability and realizing a long period of order and stability in the country also lie in the history." Therefore, the more we reform, open to the outside world, and develop the economy, the more we should strengthen and improve the party's leadership, and the more we should intensify and improve party building. We should never neglect or slacken our efforts in this aspect at any time. Any viewpoint and way of doing things that doubts, weakens, or negates the party's ruling status and leadership role is fundamentally wrong and detrimental.

To uphold and strengthen the party's leadership and raise party building to a new level during the new historical stage of accelerating reform, opening up and modernization and in the course of building the new system of socialist market economy, we must use Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics to arm the whole party, persist in the basic line of "one central task and two basic points" and brook no vacillation, implement the general objective on party building work proposed by Comrade Jiang Zemin in places where needed, firmly grasp the main subject, and build our party into a stronger leadership nucleus for leading the socialist modernization drive; strive to raise the party's ruling level and leadership level; and further enhance the party organizations' cohesion, attraction to the broad masses of people, and the fighting capacity in reform and construction. To realize this general objective and demand, we should act in close connection with the party's basic line; strengthen and improve the party building work in line with the central task of economic construction and the practice of reform and opening up; maintain a high degree of unity in the whole party in terms of ideology, politics, organizations, and work; and always maintain close ties between the party and the masses of people. This activity to appraise and select the "10 outstanding" Communist Party members is aimed at actively commending the outstanding Communist Party members who have made prominent contributions to reform, opening up, and socialist modernization; promoting the whole municipality's party building work; and giving full play to the political nucleus role and fighting bastion role of party organizations and the vanguard and exemplary role of the Communist Party members. The selected "10 outstanding" Communist Party members are precisely the representatives of many outstanding Communist Party members emerged during the new period. In their advanced deeds, there are several prominent aspects which merit our emulation.

First, we should learn from their deeds of always upholding a firm socialist and communist ideal and



conviction. From the selected "10 outstanding" Communist Party members, we can strongly feel that they have a strong and rigid pursuit of the party's cause and an indomitable spirit. What motivates them to unceasingly pursue, fight, develop and seek progress? Fundamentally speaking, it is because they have a firm conviction in struggling for realizing the socialist and communist lofty ideals. They are not only the model workers being respected by the people, but also communists with a firm political conviction. Communism is the most lofty, glorious, magnificent and great cause of mankind. Realizing the inexorable law of communism compatible with the development of human society is an irreversible general trend of the development of history. With this lofty ideal and conviction, we will have the strongest spiritual pillar, fear nothing, and be able to withstand any difficult and dangerous tests, to keep a correct orientation at any time and to unswervingly follow the socialist road with Chinese characteristics; will not be at a loss and vacillate in the great tide of changing the planned economy system into the socialist market economy system; will be able to keep a clear head when we encounter setbacks in the course of developing socialism and to resolutely defend the party's basic line and the socialist system. To realize the communist ideals, we must rely on our down-to-earth style of work and strenuous efforts. At present, we should act in line with the guidelines of the 14th party congress, seize the favorable opportunity, emancipate and develop the socialist productive forces, enhance the comprehensive national strength, raise the people's living standards, change the poverty-stricken and backward situation, become fairly prosperous, and march toward the goal of becoming initially affluent. Comrades who have received the title of "10 outstanding" Communist Party members are those who have worked solidly and diligently to realize the party's fighting objective and have made outstanding contributions.

Second, we should learn from their dedicated spirit of putting the official work before private business and putting other people's interest ahead of their own. Since the "10 outstanding" Communist Party members and the outstanding Communist Party members have cultivated a firm communist ideal and conviction as well as noble morality and sentiment, they are able to place the interests of the party and the masses in the first position; submit the interests of the individuals to those of the state and the collectives; be the first to worry about state affairs and the last to enjoy comfort; become clean and honest; consciously resist money worshipping, pleasure-seeking, and out-and-out egoism; consciously resist the corrosive influence of the decadent ideology of capitalism and feudalism; and become noble, pure, and moral persons, persons free from vulgar interests, and persons who bring benefits to the people. Just as Comrade Kang Zhenliang once said: When I take less from the distribution, I can enjoy a deep, quiet sleep and speak dauntlessly, and the people will listen to me and be convinced by me. This has formed a sharp contrast to the phenomenon in which a small number of party

members have taken advantage of the unhealthy system in the course of changing the planned economy system into the socialist market economy system to strike a deal between power and money, and seek personal gain.

Third, we should learn from his practical spirit of persisting in emancipating ideology, seeking truth from facts, and striving to blaze new trails. The work posts of the "10 outstanding" Communist Party members are different, their experiences are different, and the responsibilities they are shouldering are also different. But they have one common characteristic. That is, they have persisted in emancipating the mind, seeking truth from facts, and unceasingly advancing in a pioneering spirit, thus making extraordinary achievements at their different work posts. Their deeds tell us that when our country's reform, opening up, and modernization undertakings enter a new stage, one of the very important things for the Communist Party members to do in order to give play to their vanguard and exemplary role is to emancipate the mind, have courage to do practical work, dare to blaze new trails and to break the shackle of idealism and metaphysics, such as the old habits and subjective bias, and eliminate all sorts of interference while comprehensively implementing the party's basic line; break all shackles in building the socialist market economy system; and prevent and overcome arrogance, complacency, conservativeness, and the feeling of fearing to advance in face of difficulties while doing their work. We must have the enthusiasm of daring to try out something and the spirit of making explorations boldly, fearing no setbacks, advancing bravely, and daring to try and blaze new trails. Otherwise, we will accomplish nothing and dare to do nothing. It will be impossible for us to create a new situation if we cherish the outmoded, preserve the outworn, stand still and refuse to make progress. When we learn from the "10 outstanding" Communist Party members, we should learn from their efforts to emancipate the mind, work in a down-to-earth manner, earnestly carry out practical work, and unceasingly create new achievements in reform, opening up, and the modernization drive.

Fourth, we should learn their fine work style of maintaining close ties with the masses and becoming one with the masses. The masses of people are the sources of our strength and the foundation of victory. Maintaining close ties with the masses is our party's fine tradition and work style and our party's heritage. To learn from the "10 outstanding" Communist Party members, we must inherit and carry forward the party's tradition of maintaining close ties with the masses, fully believe in and rely on them, respect their creative spirit in reform, opening up and construction undertakings, and be good at pooling the wisdom and strength from the masses; publicize the deeds of the masses, organize the masses, and be good at translating the party's line, principles, and policies into the conscious action of the masses of people; share a common fate with the masses and exert efforts to help the masses of people eliminate misgivings and solve difficulties. As long as we maintain close ties

with the masses and never cut ourselves off from the masses, we will be always in an invincible position.

Fifth, we should learn their spirit of studying diligently and intensively and striving to command the skills in building socialism. The reason for the "10 outstanding" Communist Party members to make extraordinary achievements at their ordinary posts is that, in addition to having a strong sense of historical mission and dedication and a great working enthusiasm, they also have the spirit of studying diligently and intensively. First of all, they have conscientiously studied the basic theories of Marxism and Mao Zedong Thought, used Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics to arm our minds, and, at the same time, tried by all possible means to study intensively and to raise the professional technology, and constantly improved their profession and technical skills in their own trades and at their own work posts. The "10 outstanding" Communist Party members who have been selected this time are production experts, professional vanguards, technical specialists, and managerial experts. For example, Comrade Ma Ruilan who have been engaging in educational work for a long time, have conscientiously and intensively studied the teaching methods, and enabled children to have a great interest in study and to change their fear of tests into willingness and love of tests. This is not an easy job, and is very admirable. This is one of the important reasons for all the people to be convinced by the "10 outstanding" Communist Party members and to cast a vote for them.

Comrades: This appraisal and commendation of the "10 outstanding" Communist Party members have evoked strong repercussions among the party organizations at all levels and the broad masses of party members in Beijing Municipality and are generally welcomed by all. We should constantly adopt various forms and propaganda means, actively publicize the deeds of the "10 outstanding" party members and of the candidates and the deeds of the Communist Party members of all fronts who make outstanding contributions, lead the broad masses of party members to learn from them, and lead the masses to rally closely around the party Central Committee with Comrade Jiang Zemin as the nucleus, conscientiously implement the guidelines of the 14th party congress, carry out all tasks put forward by the seventh municipal party congress, strive to fulfill the objective proposed by the municipal party committee on making this year's work comprehensively surpass that of last year, and raise the capital's modernization construction cause to a new level.

#### **Beijing Leads in Science, Technology Research**

OW3107134993 Beijing XINHUA in English 1234  
GMT 31 Jul 93

[Text] Beijing, July 31 (XINHUA)—China's capital leads the country in the number of qualified scientists and technicians as well as in science and technology research.

Zou Zuye, director of the Beijing Municipal Science and Technology Commission, said this at a meeting of the municipal people's congress Standing Committee.

According to him, Beijing now has 502 research institutes, plus 156 research bodies attached to universities and 26 state labs.

The city has 55 information collection and supply units, which make up 60 percent of the country's total. These units, with 160 think tanks altogether, can handle 2.35 million items of data a year.

Of the 12 national information resource centers the state plans to build, 11 will be located in Beijing, Zou said.

It is noteworthy, he said, that while Beijing's 10 million residents take up less than one percent of the country's total, the city has 1.02 million scientists and technicians—about six percent of the country's total.

Moreover, Beijing is the country's largest technology market, Zou pointed out. Last year the value of technology trade in the city topped 3.1 billion yuan (about 540 million U.S. dollars).

Local observers believe that these advantages are major attractions for the numerous domestic and overseas investors who have poured money into the city over the past few years.

#### **Beijing Seeks Tougher Management of Water Resources**

OW3107135093 Beijing XINHUA in English 1327  
GMT 31 Jul 93

[Text] Beijing, July 31 (XINHUA)—The municipal authority of Beijing, capital of China, is carrying out a tougher policy toward water resources management, in an effort to save the city's limited water resources and improve water quality.

Legislation is the major means for combating waste and pollution of water resources. In January 1992, the city's legislature issued laws on management of water resources. Following that, the municipal authority promulgated detailed regulations and rules.

In 1992, almost 1,500 cases of violations of water laws were disclosed in the city. Some 3,100 units were fined for waste of water.

To save more water resources, the city has applied new irrigation systems to about 160,000 ha of farmland, which accounted for half of its irrigated farmland.

To protect its major water sources and reduce water pollution, the city is now dredging the channels of three rivers on its territory and building separate drainage systems for waste water, so that the rivers will no longer be polluted.

Following the planting of 5,000 ha [hectare] of trees in major water sources area, the city now expects to cover

80 per cent of its cultivable wastelands with trees and grasses within five years, hence reducing the loss of topsoil by 80,000 tons each year.

Despite these efforts, officials say, that the city's water supply situation is still serious.

In 1993, the city's expected water consumption will be around 3.88 billion cubic meters, but only 3.76 billion cubic meters are available, according to experts.

The shortage can only be solved through the pumping of groundwater, which officials say is already becoming more difficult and dangerous to do.

An alternative is conserving water. Following the saving of 103 million cubic meters of water in 1992, the index set for this year is 94 million cubic meters.

### Hebei Secretary on Prefecture, City Merger

SK0108013393 Shijiazhuang HEBEI RIBAO in Chinese 30 Jun 93 pp 1-2

[Speech by Cheng Weigao, secretary of the Hebei Provincial CPC Committee, at the provincial meeting of party-member responsible cadres of 12 prefectures and cities and provincial-level departments and bureaus on 23 June]

[Text] Cheng Weigao, secretary of the provincial party committee, made a speech at the provincial meeting of party-member responsible cadres of 12 prefectures and cities and provincial-level departments and bureaus that was held on 23 June. The excerpts of his speech follow:

Our province's plan for merging prefectures with cities has been approved by the State Council. Except for Baoding Prefecture and Baoding city, 12 prefectures and 12 cities, including those of Shijiazhuang, Handan, Xingtai, Cangzhou, Zhangjiakou, and Chengde should be merged this time. This is a major administrative management system reform affecting many aspects and producing far-reaching influences. The broad masses of cadres have paid close attention to this. Whether we can achieve this reform is directly related to the province's stability, unity, reform, opening up, and economic development.

1. We should fully understand the necessity, importance, and urgency of merging prefectures with cities.

The province has discussed the issue on merging prefectures with cities for several years. However, we have failed to achieve this due to various reasons. The conditions in various spheres are now ripe. The provincial party committee decided to solve this problem as soon as possible.

First, the central authorities have made definite instructions and requirements. In his report to the 14th Party Congress, Comrade Jiang Zemin pointed out that we should "be determined to reform the administrative management system and conduct organizational

reform." In his "government work report" delivered at the First Session of the Eighth National People's Congress, Premier Li Peng urged that "The prefectures and the prefectural-level cities, that coexist in the same areas, should be merged in principle." The decision of the party Central Committee and the State Council conforms to Hebei's reality and the Hebei people's urgent aspirations and requirements for grasping favorable opportunities, speeding up development, and building an economically powerful province; and enjoys the warm support and approval of the broad masses of cadres and people. We may say that it is the trend of the times and the desire of the people. We must grasp favorable opportunities, satisfy the will of the people, timely implement the decision of the party Central Committee and the State Council, and strive to achieve the reform in this regard.

Second, the malpractice that prefectural and city organs coexist in the same places has affected the progress of reform, opening up, and economic development. The current situation where prefectures and cities coexist and carry out separate administrations took shape under the historical conditions. Over the past years, both prefectures and prefectural-level cities have done a lot of work to safeguard social stability and speed up the economic and social development and have made great achievements. However, along with the deepening of reform and the development of the socialist market economy, the malpractice of prefectures and cities coexisting has been exposed in many aspects. This system aggravates the barriers between urban and rural areas and prevents the unified plan for reform and opening up and the coordinate development of the regional economy. Under this system, duplicate organs have to be set up, and dual working personnel have to be installed. All this has greatly wasted manpower and material and financial resources. This system has created many frictions and contributions among prefectures and cities as well as some of their departments. The coordinate relationship between urban and rural areas, between workers and peasants, between various social fronts, and between various sectors of the economy has been affected. Both prefectures and cities have deeply experienced malpractice. Therefore, it is imperative to merge prefectures with cities. The earlier prefectures and cities merge, the more initiative we will gain. The slower the prefectures and cities merge, the less initiative we will gain.

Third, the rapid development of the socialist market economy urgently needs, in objective, the change from separated administration of prefectures and cities to the merger of prefectures and cities and the change from independence and coexistence of prefectures and cities to hand-in-hand development. In a certain sense, it is the regional economy in which urban and rural areas are closely related to and promote each other by relying on the economically developed central cities. The more the market economy is developed, the stronger is the radiation of the political and economic centers, the scientific, technological, educational, and cultural centers, and the circulation, monetary, and information centers, with



central cities as the carriers, and the closer is the relation among various kinds of lateral economic associations, with the market as the link. However, under the system of separated administration, independence, and coexistence of prefectures and cities, various kinds of lateral economic associations have often been cut off, and the internal economic associations, under which urban and rural areas provide markets for and support each other as demanded by the market economy, have often been cut apart, thus adversely affecting the reasonable flow of production elements, hampering the development of productive forces, and restricting the development of industry, agriculture, and the tertiary industry. The merger of prefectures and cities is conducive to controlling the overall situation of urban and rural construction and giving rise to a rational distribution of the economy; conducive to establishing and developing a new type of relations between urban and rural areas, under which urban and rural areas support and benefit each other and develop in common; conducive to opening up various economic associations in urban and rural areas and establishing an economic network under which urban and rural areas are merged as one; conducive to forming an open and unified market system, which links urban areas with rural areas, and promoting the reasonable flow of various kinds of production elements and the reasonable distribution of natural resources; and conducive to exploiting the role of central cities and promoting the development of the regional economy.

Fourth, the merger of prefectures and cities is an important reform of unreasonable political system and administrative system. It is aimed at better gearing the superstructure to the development of economic foundation and at better gearing production relations to the development of productive forces. A major reason why Tangshan, Qinhuangdao, and Langfang cities have effected a relatively rapid progress in reform, opening, and economic construction over the past few years is that they began carrying out the leadership system of letting cities lead counties earlier than others. After carrying out this system, these three cities have created conditions for controlling the overall situation of economic construction of urban and rural areas, for exploiting the respective advantages of urban and rural economies, and for rationally arranging the distribution of the economy, thus not only promoting the development of urban economy but also bringing along the development of agriculture and rural economy. Therefore, viewing from any field, the merger of prefectures and cities is not only the urgent aspirations of the numerous cadres and the masses but also the necessary demand for carrying out the socialist market economy and observing the objective economic law. We must break with the old idea of the coexistence of prefectures and cities under the planned economic system, come out of the small circle of the separated administration of prefectures and cities, and fully understand the necessity and importance of the merger of prefectures and cities and become more conscious in merging prefectures to cities and making cities

lead counties, from the high plane of the political structural reform and the economic structural reform and the high plane of liberating and developing productive forces.

2. We should be meticulous, earnest, and responsible in making personnel arrangements.

Achieving success in building new leading bodies and making personnel arrangements is the key of the prefecture-city merger as well as an extremely important work of the common concern. For the building of new leading bodies and personnel arrangement, the following several principles have been defined. First, in regard to the installation of new leading bodies, we should persist in the principle of ensuring that "cadres become more revolutionary, younger in their average age, better educated, and more professionally competent;" adhere to the conditions that cadres should have both professional ability and political integrity; take the leading bodies' aging and educational structures into consideration; make division of work; make the leading bodies be conducive to the coordination of prefectures and cities; and strive to make the leading bodies suitable for the development of the socialist market economy and the needs of reform, opening up, and two civilizations.

Second, we should first merge prefectures with cities and then positively and steadily conduct organizational reform in line with the principle of separating government functions from enterprise management, streamlining administration, making coordination, and stressing efficiency. We should go through legal procedures to appoint cadres and set up organizations. The cadres to be appointed and the organizations to be set up should work in the names of responsible persons and preparatory organizations. They will not formally take on their jobs until going through legal procedures.

Third, taking into consideration the real situation where there are more working personnel after merger of prefectures and cities, we should appropriately relax the restrictions on the size of staff and the number of leading posts in the preliminary stage of merger of prefectures and cities. However, we should gradually make the size of staff and the number of leading posts attain the defined standards through the readjustment and assimilation in the next few years.

Fourth, we should organizationally strive to make appropriate arrangements for the majority of cadres and try every possible means to ensure that each is in his proper place. However, individuals must unconditionally submit themselves to the organizational arrangements.

Fifth, after the merger of prefectures and cities, we should further strengthen agriculture and rural work. We should make division of leadership work, set up organizations, and install cadres in line with the demands of strengthening agriculture and rural work.

The personnel arrangement is a matter relating to each and every comrade. Therefore, organizationally

speaking, we should try our best to appropriately make personnel arrangements in the spirit of assuming high responsibility to the party and in the principle of party spirit. However, there are great contradictions between the objective needs for arrangements and the possible arrangements. It is difficult to make each and every cadre be satisfied with the post arranged for him.

One of the special features of this reform is "merger." Through this reform, we should not only merge two sets into one and reduce nearly a half of the leading bodies and the leading posts but also take into consideration the new leading bodies' aging structure, educational structure, reasonable division of work, and coordination of prefectures and cities. Therefore, a large number of comrades' work posts, the work they take charge of, and their seating arrangements should be readjusted and changed at this time. This readjustment and change will bring about an opportunity to some cadres, particularly young cadres, to study and temper themselves. Of course, some comrades have to make some concessions. If not, this reform will not be carried out. The provincial party committee defined that the comrades of the party and government leading bodies have been working hard for several years and have made achievements. Through the merger of prefectures and cities, some comrades should be downgraded, some have to withdraw from the party and government leading bodies, and some have to change their positions from real ones to unreal ones not because they are not competent for their jobs. All this is determined according to the special features of this reform. Although it is difficult to make the arrangements satisfactory, the provincial party committee made this decision after thinking it over and over, conscientiously listening to the opinions of various fronts, and prudently weighing the situation. The provincial party committee believes that comrades who make concessions for this reform have taken the overall situation into consideration, correctly treat the situation, and are able to understand the difficulties of the provincial party committee and to support the work of the provincial party committee. At the same time, we must seriously point out that there really is a very bad atmosphere within our party and within the ranks of cadres. Some cadres give too much thought to personal interest and personal gain or loss. They can receive only promotion but not demotion, and think they cannot be dismissed once they have been employed. They ask for only preferential treatment from organizations but refuse to subject themselves to organizational discipline. They pay no attention to party spirit, organizational discipline, or the overall situation. They place personal interest above everything else. Such atmosphere is not to be tolerated and is out of tune with the aim of our party and with the character of wholeheartedly serving the people and being selfless manifested by the proletarian vanguard. During the current merger of prefectures and cities, the provincial party committee should try every possible means to considering the specific circumstances of each and every comrade. Once a decision is made, however, all comrades must obey it without preconditions. All our comrades

should remember that during the years of revolutionary war, many revolutionary martyrs laid down their lives for the success in revolution and in the liberation of the people; and during the organizational restructuring conducted in 1983, many comrades happily retreated to the second lines to respond to the party's call before reaching their retirement age, some of whom were even 50 years old only, for achieving success in the cooperation of old and new cadres and the succession of the new to the old and for vacating posts to younger comrades. In the personnel arrangements for the current merger of prefectures and cities, all our comrades should inherit and carry forward the party's fine tradition and manifest the noble character and sterling integrity of taking the overall situation into account and the strong party spirit of giving no thought to personal gain or loss.

3. We should get rid of all interferences to strengthen unity among cadres of various prefectures and cities.

Whether we can smoothly merge prefectures with cities, whether we can get stabilized after the merger, whether we can promote the development of the socialist market economy after the merger, and whether we can promote reform, opening, and economic construction depend to a large extent on the unity among various leading cadres, among various leading bodies, and in the entire ranks of cadres after the merger. Therefore, meticulously safeguarding the unity, strictly preventing the emergence of misunderstanding between cadres of prefectures and cities, and rapidly forming a stable and united political situation, in which, all cadres think of one thing and make concerted efforts to do undertakings, are a conspicuous issue that attracts our high attention and that must be solved successfully during and after the merger of prefectures and cities and for a considerably long period. All localities should prevent the factors of disunity in the following five fields: First, we should prevent the public opinion of "someone eating up someone else." When arranging cadres after the merger of prefectures and cities, it is impossible to maintain a balance in all localities, and it is not allowed by the party's policies to maintain balance and reciprocity. Under such a circumstance, if we fail in ideological and political work and pay no attention to the possible problems, we are liable to see the public opinion that prefectures "eat up" cities or cities "eat up" prefectures. Once such a public opinion emerges, it must be checked resolutely. Second, we should prevent the case that a very few leading cadres, who are unsatisfied with the posts arranged to themselves, incite some other cadres to create disturbances and troubles. Third, we should prevent a few leading cadres from approaching and handling matters by considering themselves as the representatives of their own sides. With such an idea, leading cadres will probably deviate from party spirit and party discipline and are liable to strive for fame, power, and profit for their subordinates, thus affecting the unity of leading bodies and the ranks of cadres. Fourth, we should prevent a very small number of cadres who have bad ideological consciousness from inciting one against the other and creating the factor of disunity. Some localities originally



had the bad habit of searching backing from higher levels and the bad habit of assessing cadres based on the human relations but not on their party spirit and official performances. Before the merger of prefectures and cities, some leading cadres made a vow. After prefectures merged with cities, their vows did not come true. So, it is possible that some have complaints, sow dissension, and disturb and damage the smooth merger of prefectures and cities. Fifth, we should avoid turning the dissensions and frictions left by the old system into the conflicts and contradictions under the new system. When prefectures and cities were separately set up, some departments had some dissensions and frictions. The merger of prefectures and cities has created new environments and conditions for solving these problems. If we do not have mutual understanding about the new starting points, but are prejudiced, use old viewpoints to treat new problems, and are made use of by those with evil intentions, the previous problems will possibly affect the unity of the units and the new leading bodies. To effectively prevent the occurrence of these problems, the leading cadres and the leading bodies at various levels must persistently attend to the following few tasks:

First, they should take the lead in safeguarding the unity among leading bodies and among the cadres contingents. In judging leading cadres' political quality, we should see their political manifestation at the crucial moment. The unity after the merger of prefectures and cities is the key to testing the political quality of our leading cadres. The provincial party committee believe that the majority of leading cadres have good political quality. At this crucial moment, they will be able to consciously safeguard unity and withstand the tests. Each and every comrade should say more words and do more deeds that are conducive to unity and set an example in safeguarding unity.

Second, we should grasp power with party spirit and handle affairs according to the principle of party spirit. Members of the new leading bodies of the city party committees and governments to be elected must neither regard themselves as representatives of certain aspects nor practice localism, sectarianism, and cliquism. We should proceed from the reality of party spirit and handle affairs strictly according to the principle of party spirit. What we should particularly stress is that in studying and defining the personnel arrangements of the city-level departments, the cadres of prefectures and cities are party cadres. They should be treated equally and used according to the criteria for party cadres and the policies toward cadres. The work of both prefectures and cities are the work of the party. So, we should conscientiously make a unified arrangement but must not attend to one and lose sight of another.

Third, we should strengthen contacts and cooperation. After the merger of prefectures and cities, comrades of both prefectures and cities are confronted with new work environments and have to try possible means to be familiar with and grasp some strange conditions. To this end, we should strengthen contacts and cooperation.

Comrades of prefectures and cities should actively introduce their situation to one another. In handling the specific situation, we should pay attention to listening to others' opinions. We should pay more attention to others' advantages and strong points. We must neither make things difficult nor create frictions for one another but should further strengthen coordination and cooperation. We must neither be suspicious of nor argue with one another but should further understand and support one another. We should ideologically eliminate the previous contradictions and dissensions caused due to some objective reasons along with the merger of prefectures and cities. We should exchange ideas and introduce situations to eliminate those contradictions and dissensions cropping up due to the lopsided understanding and the failure to establish contacts. In short, prefectural and city comrades should support, respect, understand and cooperate with one another; really unite with one another; and make concerted efforts to attend to reform and construction.

Fourth, we should deal with the problems relating to the symptom of disunity as soon as they have been discovered. We should clear out of the leading bodies without leniency the personnel who have indulged in disunity and caused contradictions. By no means should we be soft-hearted in strictly handling those who have scrambled for power and official posts and caused troubles. We should resolutely deal with every specific person who has tried utmost to deliberately foment discord or to create disturbances and by no means should we let such a person interfere in or adversely affect the smooth progress in the merger between prefecture and city.

4. We should regard the merger between prefecture and city as a motive force to further promote the quickened development of reform, opening up, and economic construction.

Localities that have taken up the merger between prefecture and city should do a good job not only in building the new leading body of the provincial level cities and organizing the working organs subordinate to them in line with the spirit of reform; but also in further bringing into play the enthusiasm of the broad masses of cadres by regarding the merger as a motive force, in building the two civilizations, in promoting the development of productive forces, and particularly in improving the programs of reform, opening up, economic construction to a better extent. The merger between prefecture and city is aimed at developing the economy. After the merger, from the long-term point of view, both prefecture and city should ensure the fulfillment of the fixed targets set in their "Eighth Five-Year Plan" by doing accounts in a comprehensive way. From the current point of views both prefecture and city should not have the merger adversely affect the reform, opening up, and economic development, but they must ensure the fulfillment of the fixed targets set in their own economic and social development plan. The major criterion in testing whether the merger between prefecture and city is successful or fail is to determine whether the enthusiasm of the broad



masses of cadres and people has been brought into play and whether the development of reform, opening up, and economic construction has been accelerated. Therefore, we should always uphold during the merger between prefecture and city the principle of putting the programs of reform, opening up, and economic development on a central position; and ensure the fulfillment of the plans for economic construction and social development as well as the enhancement of the program of building the two civilizations. To this end, we must pay attention to the reforming course of merging the prefecture with the city of the same name.

First, in the merger between prefecture and city, it is imperative to ensure from beginning to the end the normal operation of the work undertaken by their subordinate organs. The general demands in this regard are as follows: The government decrees should be smoothly conveyed from top to bottom, the lateral associations should be remained, and the relationship with outside places should be combined. Prior to the establishment of new working organs, the existing ones should persistently continue their operation and ensure that all personnel are in their post; that information is conveyed smoothly; and that orders and prohibitions are strictly enforced. After putting them into operation, the new working organs should carry on as soon as possible the former relations in work, information, coordination, and cooperation. By no means should they adversely affect the reform, opening up, and economic development just because of the changes of systems, organs, and personnel. In the course of the merger, both prefecture and city should truly achieve in the continuation of guidance and coordination in the economic work; the continuation of helping grass-roots level units deal with their practical problems; the continuation of looking for projects and cooperation and raising funds; and the continuation of holding talks for inviting business and bringing in foreign capital. They should enable various work to achieve smooth, orderly, and ceaseless achievement.

Second, we should uphold the principle of grasping economic construction and the reform among organs simultaneously and cause no delay in both of them. As soon as they have been established, the new city leading bodies should make overall arrangements under the unified leadership of the city party committee; clearly divide their work; and assign their forces and carry out their work in line with the method of dividing their forces into the following three fronts: One should concentrate its efforts on grasping the work of merging the prefecture with the city of the same name; another should concentrate its efforts on successfully grasping the programs of reform, opening up, and economic construction; and the other should vigorously make preparations for convening the first sessions of new city people's congress and new city Chinese People's Political Consultative Conference committee.

Third, the districts, counties (cities), and large and medium-sized enterprises that are not involved in the merger should wait for and depend on nothing and

positively and actively carry out reform and construction. Now, the rural areas are precisely in the rush season of the three summer jobs. All the tasks of summer harvesting, summer planting, drought combat, flood prevention, insect pests control, the reduction of peasants' burdens, and family planning are very arduous and that all of them should be firmly grasped to ensure their fulfillment on schedule. All large and medium-sized enterprises should further deepen their internal reforms, improve their current production and management, and make great effort to increase economic efficiency. The opening to other domestic places and to the outside world and the raising and import of funds should be carried out conscientiously, and the progress rate and quality of all key construction projects should be ensured. We should use the outstanding performances in various fields to support and coordinate the merger of prefectures and cities as well as organizational restructuring.

Fourth, we should orient the attention of the numerous cadres of prefectural and city organizations to the development of the economy and to the building of spiritual and material civilizations. Commendation, support, and important responsibilities should be given to the comrades who have been doing very well in their work, have given no thought to personal gain or loss during the merger of prefectures and cities, and have quietly immersed themselves in hard work. Those who have refused to work hard, have been unruly in words and deeds, and have been serious in individualism, those who have paid no attention to the overall situation, refused to obey the arrangements, and shouted in confusion; and those who have spread rumors, created confusion, and destroyed unity should be seriously criticized and educated, far from being entrusted important responsibilities. Those whose cases are serious should be dealt with according to party discipline and administrative discipline without overleniency. So long as the vast numbers of cadres, leading cadres at all levels in particular, are able to correctly approach the merger of prefectures and cities and the organizational restructuring, correctly handle the relations between individuals and organizations, consciously submit themselves to the arrangements of organizations, and concentrate major energy on work and on economic construction, reform, and opening, we will certainly push forward reform, opening, and economic construction and achieve even greater success in building spiritual and material civilizations in the process of merging prefectures with cities.

5. We should actually strengthen the organizational leadership over the merger of prefectures and cities.

Whether the merger of prefectures and cities can be carried out smoothly depends primarily on organizational leadership and strict organizational discipline. When viewed from the provincial situation as a whole, the merger should be carried out under the direct leadership of the provincial party committee and the provincial government, and the specific affairs should be organized and carried out by the provincial leading group for

restructuring prefectures and cities. Headed by principal responsible comrades, party committees of the newly merged cities should strengthen the leadership over the work of merging prefectures with cities; should carefully think over, resolutely make policy decisions, and appropriately handle the major issues such as the drawing-up of plans, the installation of leading bodies of departments, and the linking of various items of work; and should be both resolute and meticulous in doing the work to prevent the work from suspending and to reduce repercussions and shorten the transition period as far as possible.

Whether we can promote production, strengthen unity, and stabilize the situation in the course of merging prefectures with cities depends to a large extent on the firm collective leadership of party committees and depends particularly on the leadership art and ideological quality of top leaders and principal responsible persons. After merging prefectures with cities, the scale of administration will be expanded, and the burdens will become heavy. Top leaders and principal responsible persons of the merged cities must have a good command of the overall situation, be good at devising strategies and making overall arrangements and plans instead of attending to one thing and losing sight of another; must arrange and carry out various items of work in the right order of importance, urgency, and feasibility; must exert great effort in doing ideological and political work among cadres, strengthen education, stabilize public feelings, and reduce the ideological obstructions to the merger of prefectures and cities and to organizational restructuring; and must be impartial in handling official affairs and be diligent and honest in performing official duties to foster a good image at the very beginning. In regard to the personnel affairs of cadres, we should be fair, open, and aboveboard and persist in the principle of using cadres from all corners of the country. We must not establish personnel relationship, draw small circles, practice small-group mentality, or get up to little tricks. We should handle personnel affairs according to democratic centralism and organizational principles. Here, we should sincerely advise the tiny minority of the people who draw small circles and get up to little tricks in the course of handling cadres' affairs to avoid making big mistakes.

In the course of reforming the prefectural and city systems, the party organizations should bring into full play their role as the core of leadership and as a fighting force. The party organizations at various levels should strengthen the management and education for party members, particularly party-member leading cadres, and ensure that each and every party member should be able to strengthen party spirit, strictly keep themselves within discipline, and play an exemplary vanguard role in reforming the prefectural and city systems. The provincial and prefectural propaganda and mass media departments should adopt various forms to strengthen propaganda and education by giving positive examples, provide good media orientation in merging prefectures

with cities, get rid of confused ideas, overcome wrong ideas, intensify the sense of discipline, foster the idea of taking the overall situation into consideration, and firmly lay an ideological foundation for reforming the prefectural and city systems.

The provincial-level departments should positively support and coordinate with the merger of prefectures and cities and the organizational reform. We should work in coordination with new city party committees and governments to carry out their work, exercise dual leadership, and directly take charge of the ideological and political work of the cadres, staff members, and workers. We should work out, as soon as possible, relevant regulations on coordinating the work of prefectures with that of cities after the mergers, strengthen specific instructions, and ensure that various kinds of professional work should not be suspended. In regard to the organizational setup and the installation of cadres, the city party committees should solicit opinions from departments but must not give rigid interference. In short, the provincial-level departments should upgrade their understanding about the merger of prefectures and cities and the organizational reform, realistically be sure not to give interference or add obstacles, be sure to give support and provide service, and make due contributions to promoting the progress of the major reform.

Strictly observing the restrictions of discipline and strengthening supervision and examination is an important guarantee for the merger of prefectures and cities and the smooth progress of organizational reform. The provincial party committee, the provincial government, and the discipline inspection and supervisory departments of the central authorities and the province have made relevant regulations and disciplinary requirements. All localities and departments should strictly abide by and conscientiously implement them. Any forms of selfish departmentalism, small-group mentality, and individualism must be opposed. No departments and units are allowed to act according to their own ways or to resist, in a public or disguised manner, the merger of prefectures and cities and the organizational reform. That the organizations are upgraded and cadres are promoted in violation of the regulations of the provincial party committee should be declared invalid. Simultaneously, those who are responsible for the irregularities should be called to account. Those who take the advantage of merging prefectures with cities to wantonly spend money, privately divide public funds and materials, and transfer the possessions of public property should strictly be investigated and handled. Those who adopt a negative attitude, go slow, neglect their duties, and bring about great losses to their work should strictly be handled according to the party discipline and the state law. The provincial and city discipline inspection and supervisory organs should supervise and examine the enforcement of discipline in the course of merging prefectures with cities and ensure to provide against possible trouble.

Before and after the merger of prefectures and cities, the leading bodies at various levels and the party organizations of the prefectural and city organs should solemnly and conscientiously attend their organizational activities in line with the principle of supporting reform, submitting themselves to the overall situation, observing discipline, and strengthening unity. Through organizational activities and the efforts made by the grass-roots party committees, we should have the broad masses of communist party members to consciously submit themselves to discipline and command, to ensure stability and unity, to promote reform and development, to ensure the smooth and on-schedule fulfillment of the task for merging prefectures with cities, and to make new greater contributions to the work in various spheres.

**Tianjin Secretary Urges More Rapid Development**  
*SK0208081993 Tianjin TIANJIN RIBAO in Chinese 2 Jul 93 p 1*

[Excerpts] On 30 June the municipal party committee and the municipal people's government jointly sponsored a report meeting on the work of broadening the opening up. It was urged at the meeting that various departments, commissions, offices, districts, counties, and bureaus should be further galvanized into action to emancipate their minds and to promote the opening up in an overall way. They should broaden the opening up in all directions, accelerate the pace in utilizing foreign capital, and promote the healthy development of the municipality's export-oriented economy.

During the January-May period of this year, the municipality maintained a good trend in utilizing foreign capital and approved 1,603 foreign-funded enterprises that are nearly equal to the total number scored in 1992. Of the three types of foreign-funded enterprises approved in the year, those of tertiary industry and large projects showed an obvious increase. Of the original three types of foreign-funded enterprises, a large number of them asked for the increase of investments. Judging from the current tendency of development, the municipality's volume of investments made in the three types of foreign-funded enterprises in the year as a whole is expected to reach more than \$3 billion. As compared with fraternal provinces and municipalities, Tianjin still lags behind in utilizing foreign capital.

Making reports during the meeting were the municipal commission of foreign economic relations and trade, the municipal development zone, the municipal bonded zone, the municipal construction commission, and Heping district.

Vice Mayor Ye Disheng delivered a speech at the meeting, in which he put forward 10 measures for directly utilizing foreign capital. [passages omitted]

During the meeting Gao Dezhan, secretary of the municipal party committee, delivered an important speech in which he first pointed out: We must consider the work of

broadening the opening up and accelerating the utilization of foreign capital in line with the municipality's whole situation in economic development. The municipality as a whole is earnestly implementing the important speech of Comrade Deng Xiaoping and the spirit of the 14th CPC Congress and is seizing the opportunity to accelerate the development. In stressing the acceleration of development, we should promote the economic construction by proceeding from the municipality's reality and based on improving the quality, optimizing the structure, and increasing economic results. We should not only develop the total supply and demand but also pay attention to the quality of economic development, to improving the economic quality as a whole, to reforming the economic operation mechanism, and to increasing economic results. We should also achieve in uniting the emancipation of minds with seeking truth from facts and earnestly implement the spirit of the central directives relating to the economic work. We should not only do what we can as much as possible but also do what we are capable of. Efforts should be made to accelerate the development by paying attention to maintaining safety, deepening the reform, and broadening the opening up. A good job should be done at present in grasping the following two tasks: 1) Efforts should be made to reinforce the strength in reform, to accelerate the pace in encouraging enterprises to shift their operation mechanism by deepening the reform and in building socialist market economic systems, and to deal with some deep-rooted problems cropping up in economic development. 2) Efforts should be made to reinforce the strength in opening up and to actively bring in capital, technologies, and advanced managerial methods. To this end, we should mobilize the forces of all social circles to further broaden the opening up in all directions and to accelerate the pace in utilizing foreign capital. Deepening the reform and broadening the opening up represent a fundamental way for Tianjin to accelerate its development and also represent an important work that has a vital bearing on the whole situation. We must attach great importance to them and truly score results from them.

In his speech Gao Dezhan put forward demands in the following eight fields for broadening the opening up and accelerating the utilization of foreign capital:

1. We should promote the opening up in an overall way and conduct opening up in all directions. Efforts should be made to broaden the field of opening up, to expand the coverage of opening up, to enforce opening up at more levels, and to vigorously and successfully open the municipality to domestic localities. In the course of broadening the opening up in all directions, we should pay attention to grasping the emphasis and chiefly making a breakthrough in utilizing foreign capital. We should make efforts to successfully grasp the construction of the municipal development zone, the municipal bonded zone, and the municipal new-tech industrial park that are the showcases of the municipal opening up program. Efforts should be made to accelerate the opening up and development along the coastal areas with



Tangyu district as a center and to utilize more foreign funds to enhance the construction of urban infrastructures, to develop high-and new-tech industries, to successfully conduct reform among the out-dated enterprises, and to actively develop the tertiary industry.

2. We should accelerate the pace in utilizing foreign capital and stress practical effects in utilizing them. We should achieve "six quick" in utilizing foreign capital, which means to hold talks on utilizing foreign capital quickly, to fix projects quickly, to put the projects into enforcement quickly, to build the projects quickly, to put the projects into production quickly, and to score results from the projects quickly. In the future we will check the work done by various fronts and localities in the "six rates" of utilizing foreign capital, which means to check the increased rate of projects, to check the increased rate in the volume of utilized funds, the rate of funds that have been brought in, the rate of enterprises that have been put into operation or production, the rate of foreign exchanges earned from exports, and the rate of tax and profits earned from sales. Meanwhile, a good job should be done in successfully operating the existing foreign-funded enterprises so as to have them play a model role in attracting more foreign investments.

3. We should attach great importance to improving the investment environment in an overall way. Efforts should be made to grasp tangible and intangible climates simultaneously. In grasping the intangible climate, we should accelerate the rhythm; upgrade the efficacy; improve the laws and regulations; perfect the joint administrative systems; and establish the centers of joint services. Efforts should be made to enhance the construction of spiritual civilization and city appearance, to strengthen urban management, to successfully consolidate social order and urban sanitation, and to foster a fine mental attitude in the municipality as a whole. We should also do a good job in building tangible climate. An emphasis in this regard should be placed on enhancing the construction of infrastructures and on continuously reinforcing the function of urban carriers.

4. We should further broaden the exports in foreign trades and further bring into play the role of harbors. Efforts should be made to reinforce the economic practical strength through the exports of foreign trades, to bring into full play the strong points of the municipal harbors, to accelerate the construction, and to successfully render services. We should also have the municipal harbors and relevant departments conduct close cooperation, shift their functions, relax the restrictions in policies, and earnestly and successfully conduct their work so as to further enhance the attraction of the harbors.

5. We should be determined to accelerate the development of tourism. Strenuous efforts should be made to develop tourist business; to pay attention to giving priority to key projects; to develop tourism with the municipal characteristics; and to promote economic

development through tourism; and to attract more inflows in tourists, materials, and money.

6. We should attach importance to introducing foreign intelligence resources, advanced technologies, and management. Efforts should be made to bring into play the role of intelligence resources by conducting introduction and training so as to upgrade the enterprises' levels in technology and management.

7. We should enhance the overseas propaganda work, the management over foreign affairs, and the training for foreign affairs personnel. Efforts should be made to seize every opportunity to expand the overseas propaganda work and to integrate in an organic way the activities of foreign economic relations and foreign affairs with the work of publicizing Tianjin. Meanwhile, we should strengthen the management over foreign affairs and the training for foreign affairs personnel and resolutely block incidents violating the discipline and policies of foreign affairs.

8. We should introduce foreign advanced things and set up ties with domestic localities and vigorously develop economic associations with inland localities. In setting up ties with domestic localities, we should rely first on policies and second on services. We should concentrate our efforts on upgrading the economic attraction and influence of Tianjin, bringing in funds and projects through various effective measures, and broadening the domestic markets.

Attending the report meeting were municipal leading personnel, including Wang Xudong, Li Jianguo, Li Shenglin, Li Huifen, Luo Yuanpeng, Zheng Zhiying, Ye Disheng, Zhang Haosheng, and Wang Dehui.

#### **Tianjin Holds Foreign Export Trade Report Meeting**

SK3007213293 *Tianjin People's Radio in Mandarin*  
2300 GMT 29 Jul 93

[Text] On the afternoon of 29 July, the municipal government held the municipal foreign export trade work report meeting.

The meeting set forth: Under the current circumstances where there are more unfavorable factors, various types of foreign trade enterprises and the departments concerned should positively go into action and ensure to fulfill the annual task for exporting \$1.85 billion worth of goods.

Li Shenglin, deputy secretary of the municipal party committee and executive vice mayor of the municipal government; and Ye Disheng, vice mayor of the municipal government, attended and addressed the meeting.

In the first half of this year, the foreign trade department of the municipality exported \$967.03 million worth of goods, respectively fulfilling 55.78 percent of the annual task assigned by the Ministry of Foreign Economic Relations and Trade and 52.27 percent of the annual

task fixed by the municipality. The foreign export trade volume increased by 5.68 percent over the same period of last year. Thus, the municipality overfulfilled and prefulfilled the semi-annual export task.

In his speech, Li Shenglin urged that the foreign trade enterprises should accurately judge the current economic situation; grasp favorable opportunities to make development; proceed from the municipal overall situation of reform, opening up, and economic development; and comprehensively ensure the increase in the foreign export trade volume. So far, Tianjin has entered, in a step-by-step way, the peak period of (repaying foreign exchange). Therefore, expanding the export of foreign trade and increasing the (net foreign exchange earnings) is a matter relating to the overall situation of the municipality's economic construction. To this end, the foreign trade departments should have a strong sense of urgency and a strong sense of crisis, accurately (measure) the spirit of doing pioneering work in the new situation, and mobilize, to the maximum, the enthusiasm of the staff and workers on the foreign trade front to expand the scale of exports. The departments in charge of the overall work across the municipality should do solid work to support the export of foreign trade.

Ye Disheng urged in his speech: The foreign export trade departments should vigorously develop new growing points, improve the export commodity structure, upgrade the export commodity quality, and take the path of capturing victory with good quality. We should speed up the pace of industrializing and internationalizing the foreign trade enterprises and organizing foreign trade enterprise associations.

### Northeast Region

#### Jilin Secretary Marks Founding of CPC

SK0208102693 Changchun JILIN RIBAO in Chinese  
2 Jul 93 pp 1, 3

[Speech by He Zhukang, secretary of the Jilin Provincial CPC Committee, at a report meeting to mark 72d anniversary of the founding of the CPC on 1 July]

[Text] Comrades:

On the occasion of the commemoration of the 72d anniversary of the founding of the CPC, it is very meaningful for us to hold a report meeting on "giving play to the vanguard and exemplary role and contributing to building a developed border province near the sea." Just now, Zhan Yuechang and three other comrades have given us very touching reports on their personal experiences in growing to maturity. In their reports, they have provided an answer to the serious and major question of how to become a qualified communist party member during the new historical period from different angles and aspects. Their deeds have reflected the distinct theme of the times, displayed the brand-new mental attitude of the communist party members of the

present age, and embodied the vanguard and exemplary role of communist party members of the new period. They have added splendor to the party organizations with their concrete deeds. From them, we can see the steadfast ideals and conviction of the broad masses of communist party members, their lofty moral sentiments, valuable character of dedication, unremitting fighting spirit and the strong party spirit and principle. Their reports are really practical and vivid party lessons, greatly inspiring and encouraging the people, providing food for thought and urging people to advance bravely after hearing them. Let me extend heartfelt thanks to them on behalf of the provincial party committee and all comrades present here. At the same time, let me take advantage of this occasion to extend festive regards and lofty respects to the broad masses of Communist Party members on all fronts throughout the province who have made positive contributions to promoting our province's reform, opening up and economic development.

Our party has triumphantly travelled a fighting course of 72 years. The great practice of the new democratic revolution and socialist construction has fully proved and continue to prove that, in China, without the strong leadership of the communist party and the struggle and sacrifices of the broad masses of communist party members, there can be no unceasing emancipation and development of the social productive forces and comprehensive social progress, and socialist modernization will be out of question. The 14th party congress has pushed our country's reform, opening up and modernization to a new stage of development. The sixth provincial party congress has also clearly defined the grand objective of building our province into a developed border province near the sea. During the new historical period, the party organizations at all levels across the province and the broad masses of communist party members have to shoulder glorious missions and to face severe tests. The in-depth development of reform and construction and the realization of the grand objective defined by the sixth provincial party congress on building a developed border province near the sea depend on our efforts to give better play to the fighting bastion role of the party organizations at all levels and the vanguard and exemplary role of the broad masses of party members. The following is my four-point suggestion on how to give vanguard and exemplary role to the Communist Party members during the new period which I have made in line with the reports of the four comrades.

First, Communist Party members should take the lead in studying Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics. This theory is Marxism of the present age and the source of strength for stimulating the whole party and the people of various nationalities across the country to make unremitting efforts to realize socialist modernization. Studying and mastering the theory on building socialism with Chinese characteristics are the guarantees for realizing the grand objective of building a developed border province near the sea as well as a political task of prime importance for

the party organizations at all levels and the broad masses of party members across the province at present and for a considerably long period to come. Through intensive study, we should strive to have a good command of the principal substance, basic viewpoints, the quintessence, and the essence of this theory. It is necessary to combine the study of this theory with the emancipation of the mind and the change of ideas and work style, with the implementation of the party's basic line, the 14th party congress and all tasks put forward by the sixth provincial party congress, with the efforts to solve the practical problems emerged in reform, opening up and the development of the socialist market economy, and with the strengthening of training on party spirit and the transformation of world outlook. Hence, we will be able to unceasingly raise the ideological and theoretical qualities of the broad masses of party members and enhance their ability to use this theory to observe, analyze, and solve problems.

Second, Communist Party members should play an exemplary and leading role in developing the socialist market economy. This is a demand of emancipating and developing the socialist productive forces as well as the demand of raising the people's living standards. Each and every communist party member should actively participate in the main battlefield of developing the socialist market economy with a high sense of historical mission and a sense of urgency of the times, lead the broad masses of people to advance in a pioneering spirit, make earnest efforts to do practical work, and contribute to building the socialist market economy system. It is necessary to find out our correct positions in the overall situation of developing the socialist market economy and building a developed border province near the sea, give play to our role, and make due contributions. We should conscientiously study the market economy, modern science, technology and managerial knowledge, practice boldly, and dare to blaze new trials. In line with the party's demands, we should actively promote the development of market economy, consciously resist some negative effects of the market economy, and combine the resolute implementation of the party's various economic policies during the present stage with our practice of keeping the communist long-range objective in mind. In addition to taking the lead in becoming wealthy through diligent work, we should also lead the masses to reach common prosperity; and in addition to upholding the principle of material benefits, we should also promote the spirit of selfless dedication. It is necessary to correctly handle the relations between personal interests and the interests of the state, the collectives and the individuals. Particularly, we should always guard against and resist the corrosive influence of money worshipping, pleasure-seeking and out-and-out egoism, resolutely prevent and overcome the passive and corrupt phenomena, and unceasingly strengthen the building of party style and a clean government.

Third, Communist Party members should take the lead in carrying out the party's purpose. Wholeheartedly

serving the people is the fundamental purpose of our party, the fundamental symbol for distinguishing between our party and other class political parties, and the basic condition of a qualified party member. Consciously upholding and conscientiously practicing the party's purpose under the new historical condition is of special and major significance in always maintaining the party's advanced nature and purity and further strengthening the cohesion of the party organizations, their appealing to the broad masses of people, and their fighting capacity in the course of reform and construction. Each and every Communist Party member should always uphold the principle that the interests of the party and the people are above all things, be the first to bear hardships and the last to enjoy comforts, work selflessly for the public interest, struggle arduously, make selfless dedication, and sacrifice oneself bravely. In our practical work, we should conscientiously implement the mass line, persist in doing everything for the sake of the people, rely on the masses while doing everything, get the opinions of the masses and refer them back to masses, listen to their voices, care for their hardships, solve their difficulties, and always maintain a close relation between the party and the masses. Party-member leading cadres should correctly exercise the power vested by the people, regard the development of the productive forces, serve the people and safeguard the party's image as their own duties, be clean and self-disciplined, carry out official work diligently for the sake of the people, consciously place themselves under the supervision of the party and the people from the perspective of holding themselves responsible to history, to the times, to their undertakings and to the people, unceasingly absorb political nutrition from the masses, strengthen self-cultivation, and be a public servant worthy of the name.

Fourth, Communist Party members should take the lead in observing party discipline. The party's discipline is a guarantee for implementing the party's line, principles and policies. Strict discipline has long been our party's unified step and the basic condition for strengthening unity, overcoming difficulties and marching towards victory. We should resolutely straighten out the erroneous trend of separating the development of market economy from the strengthening of party discipline and setting them against each other and clarify all sorts of confused ideas. The more we reform and open to the outside world and develop the socialist market economy, the more we should strengthen party discipline. Communist Party members, especially the party-member leading cadres, should always uphold the principle of democratic centralism, correctly handle the relationship between individuals and the organizations, democracy and centralism, freedom and discipline, strictly manage things in line with the "party constitution," and the "guiding principles," and realistically attain the goal that the individuals are submitted to the organizations, the minority is subordinate to the majority, the lower levels are subordinate to the higher levels, and the whole party is subordinate to the central authorities. We should



consciously observe the party's political discipline, correctly handle the relationship between persisting in reform, opening up and developing the socialist market economy and upholding the four cardinal principle, resist all sorts of erroneous thoughts, and in addition to opposing the right, guard against the "left." We should resolutely overcome the erroneous practices of countering a central measure with a local one and of refusing to strictly enforce orders and prohibitions, resolutely implement the party's line, principles and policies, consciously maintain a high degree of unity and unification with the party Central Committee in terms of politics, ideology, organizations and acts, and realistically guarantee the smooth enforcement of orders and prohibitions. It is necessary to strengthen our sense of the overall situation. Each and every Communist Party member, particularly the party-member leading cadres, must consciously safeguard the overall interests from the perspective of the overall situation and with a stand of party spirit, and do a good job in giving play to the due role of a party member in various aspects.

In short, during the new historical period, the broad masses of Communist Party members across the province should unceasingly strengthen their training on party spirit under the guidance of the theory on building socialism with Chinese characteristics and the party's basic line, give full play to their vanguard and exemplary role, consciously serve as models in emancipating the mind and seeking truth from facts, models in struggling arduously, making selfless dedications and wholeheartedly serving the people, models in doing solid work, working diligently and carrying out their own duties faithfully, and models in opposing all sorts of passive and corrupt phenomena, checking the unhealthy trends in various trades, and promoting the socialist new habits. We should always be in the van of reform, opening up and the modernization drive, unite with, rally, and lead the broad masses of people across the province, enhance spirit, advance in a pioneering spirit, make vigorous efforts to seek progress, never disappoint in the missions and strive to build a developed border province near the sea.

#### **Liaoning Secretary's Article on Party Building**

SK0208075393 Shenyang LIAONING RIBAO in Chinese 1 Jul 93 pp 1, 2

[Article by Quan Shuren, secretary of the Liaoning Provincial CPC Committee: "The Key Lies in Party Building"]

[Text] Under the excellent situation of deepening reform, expanding opening, and vigorously developing economic construction, we have seen in the 72d anniversary of the founding of the CPC. All CPC members and the masses are proud of this glorious day. Precisely with the day of "1 July," the Chinese nation has broken with black clouds and corrected the course of advance; has overthrown the three big mountains one by one that had lain like a dead weight on our backs and proudly stood

towering in the world; and has aroused the spring tide of reform and opening and embarked with full confidence on the road of building socialism with Chinese characteristics.

When commemorating this glorious day, we cannot forget that the party has undergone extremely hard and bitter struggles since the day it was born, and groups and generations of revolutionary martyrs have advanced wave upon wave, made immortal contributions, and laid down their valuable lives for the emancipation, independence, and prosperity of the Chinese nation. We cherish the memory of them forever. Meanwhile, what we all the more remember is that the great and glorious cause pioneered by them has not yet been fulfilled, and it requires the arduous struggle of several generations to fulfill. The people of our generation are at an extremely critical moment.

The great revolution needs the great party, and the great party tempers itself and is growing stronger through the great revolutionary struggle. This is an irrefutable truth proven by historical facts. The CPC has precisely grown to maturity through the great revolution, construction, and struggle and has become the core of leadership of the Chinese people. This is the basic guarantee for achieving success in revolution and construction. The tasks for reform, opening up, and modernization we face today are even more arduous and complicated than those in the past. It requires an even longer period to fulfill the present tasks, which have set even higher demands on the leadership of the party. Whether the party can lead the people to fulfill these arduous and complicated tasks depends primarily on the success in party building. The party must maintain the nature of the vanguard of the working class, always stand in the most front row to liberate and develop the productive forces, have a good command of the theory of building socialism with Chinese characteristics, and enhance its ability to lead the modernization. The party should not only vigorously conduct economic construction but also achieve an all-round progress in society. The party should not only have the ability to draw the advanced scientific and cultural achievements of all civilization in the world but also have the ability to resist the corrosive influence from all negative and corrupted things. Therefore, just like what was pointed out by Comrade Jiang Zemin, the more we carry out reform and opening up and develop the economy, the more we should strengthen party leadership and pay attention to party building. This should never be neglected and slackened at any time.

Under the correct leadership of the CPC Central Committee, together with the people across the province, party organizations in the province are launching the second pioneering program for fulfilling the magnificent goals defined by the 14th CPC National Congress, for liberating and developing the productive forces of society, and for making the majestic appearance of the old industrial base felt once again. We should realize the change from the system of the highly centralized single-item planned economy to the system of the socialist

market economy, should use modernized science, technology, and equipment to renovate traditional industries, should readjust production setup and product mix to make the primary, secondary, and tertiary industries develop in coordination, and should break with the closed mode of management to develop the export-oriented economy and link our economy with the world market. Without the strong leadership of the party, it is impossible for us to fulfill this task. Is the current situation of our party compatible with the demand for fulfilling this task? Generally speaking, party organizations at various levels and the numerous party members in the province are steadfast. In carrying out reform and opening up and developing the economy, they have not only brought into play the role as the core of leadership and the vanguard and exemplary role, but have also tempered themselves and become even more mature in practice. In particular, there have been a great number of advanced grass-roots party organizations and exemplary party members on various fronts that consciously and assiduously studied and mastered the theory of building socialism with Chinese characteristics, firmly and unswervingly implemented the party's basic line, emancipated the mind, sought truth from facts, struggled arduously, made dedication selflessly, and wholeheartedly served the people. These party organizations and party members have created many good experiences in strengthening party building under the new situation. They are the examples for party organizations at all levels and for the vast numbers of party members in the province. We must notice, however, that many party leaders have failed to adapt themselves to the arduous tasks they have shouldered. Under the new situation, there are still some negative factors crying for urgent solution. Our expertise to lead the socialist modernization remains poor, and in particular, we have not got fully prepared in ideology and theory for fulfilling the goal of building the socialist market economic system defined by the 14th CPC National Congress. We are required to further extricate ourselves from the old and traditional concepts formed under the protracted highly centralized single-item planned economic system, to smash many trammels of old ideas, and to further exploit the initiative and creativity of the whole party. In organization, the democratic centralism formed by the party many years ago has not been correctly upheld in some party organizations, thus affecting the cohesive and fighting forces of the party. Under the situation of reform and opening up, some new problems have emerged in the ideas of party members. Ideals and faith of some party members have got blunted, and their sense of value has been distorted. Some party members have paid attention to materials but not spirit, paid attention to personal gain or loss but not moral character. Worse still, a few party members, affected by money worship, have lost the nature of the vanguard of the working class. In the style of work, subjectivism, bureaucratism, and the mood of fearing arduousness and seeking ease and comfort have grown among some party members. These party members have been irresponsible for work, indifferent to the weal and woe of the masses, and divorced

from reality and the masses, thus damaging the relations between the party and the masses. Our attention to the building of grass-roots party organizations has been insufficient, and the fighting force of some grass-roots party organizations has not been strong. All these problems show that party building is a task which brooks no delay, and that it must be listed as an important item on the daily agenda of party organizations at all levels.

In line with the demands set by the 14th CPC National Congress and with the current situation of party organizations and party members in the province, to strengthen party building, we must first strengthen the education on the party's position and role of ruling the country closely around the task of building the party into a strong core of leading the socialist modernization with a view to raising the whole party's consciousness in ruling the country and the whole party's art of leadership. All party members, party-member cadres in particular, should regard the theory of building socialism with Chinese characteristics as the main subject, and study it in a systematic manner to obtain an all-round understanding of it. Party members should profoundly understand the historical mission shouldered by the ruling party under the current conditions, should enhance their senses of responsibility and mission, and should strive to improve their skills to execute the party's basic line. In the process of carrying out reform, opening up, and modernization, by integrating the study with practice, party members should continuously summarize experiences, carry forward achievements, overcome shortcomings, persist in what is right, correct what is wrong, and constantly deepen their understanding of the theory of building socialism with Chinese characteristics. Party organizations at all levels should give full play to their role as the core of leadership, and all party members should set an example and take the lead in emancipating the mind and seeking truth from facts in the process of carrying out reform, opening up, and modernization.

To strengthen party building, we must persist in the party's principle of the democratic centralism and consolidate the high degree of unanimity in organization and action. This is the source of the party's fighting and cohesive forces. Particularly under the new historical condition, maintaining a high degree of unanimity with the CPC Central Committee and correctly implementing the party's line, principles, and policies are the basic guarantee for fulfilling all tasks of the party. Party organizations at all levels and, in particular, party-member cadres at all levels must consciously persist in the principle of democratic centralism, strictly abide by party discipline, execute the party's resolutions, and consciously safeguard the unity and unification of the party. Party discipline is the characteristics of the political party of the working class and is the manifestation of the party's vitality. Lax discipline will certainly weaken the party's fighting capacity. In recent years, there have been some prevailing ideas within the party, such as "whoever abiding by discipline and being honest will suffer losses," "in carrying reform and opening up, one

must smash the trammels of discipline," "and "for the so-called interest of the masses, it is of no matter to violate party discipline and state laws." These ideas have resulted in the practice whereby "the higher authorities have policies and the localities have their countermeasures," the practice of refusing to abide by orders and prohibitions, and the practice of sticking to one's old way of doing things. Some party-member leading cadres have made arbitrary decisions and taken peremptory actions, refused to receive dissenting opinions, and placed themselves above party organizations, thus seriously affecting the smooth implementation of the party's line, principles, and policies, damaging the party's unity and unification, and weakening the party's fighting capacity. These problems must attract our high attention and be corrected resolutely. We should unfailingly strengthen the education on ideology and discipline by regarding it as an important content of party building.

Persisting in the aim of wholeheartedly serving the people, maintaining closer ties between the party and the people, and tempering ourselves with party spirit are the cardinal contents of the strengthening of party building. Our party is confronted with not only arduous tasks but also new tests. In carrying out reform and opening up, it is a test on all party members whether they can take the lead in emancipating the mind, seeking truth from facts, and boldly trying everything, and it is also a test whether they can carry forward the spirit of arduous struggle and selfless dedication and wholeheartedly serve the people. In the process of building the socialist market economy, the people's outlooks on life, value, and morality are all on changing. Advanced and positive things may be carried forward, while negative and corrosive things may also make inroads by means of loopholes. Some party members have taken a skeptical attitude on socialism, lacked confidence of socialism, and regarded individualism as their spiritual motivation and money as their goal to pursue. Some party members have sought ease and comfort and even pursued a corrosive, bourgeois life style. Some party-member cadres have taken advantage of their powers to seek personal gain. If we refuse to resolutely resist these problems, they will become the corrodent to the party, and will not only weaken the party's fighting capacity to lead the modernization but also make party members degenerate by exerting a subtle influence on their character and thinking. Losing power due to corruption is a lesson drawn from modern and ancient times and from China and foreign countries, and that we must bear it firmly in mind. We must frequently sound the alarm among all party members and must be clear-cut in what party members should persist in, carry forward, and oppose. We should persistently, realistically, and regularly conduct education on the nature and aim of the party, should summarize and spread in a timely manner the experiences of excellent party members who have struggled arduously, made dedication selflessly, and served the people wholeheartedly, and should commend the party's cadres who have worked hard in an earnest and down-to-earth manner, have been devoted to their duties, and have been honest and clean in performing official duties. We should strictly enforce party discipline and wage a resolute struggle against all unhealthy tendencies. Before party discipline, everyone should be equal. No special party

members should be allowed. The behaviors of seriously violating party discipline should never be tolerated.

The grass-roots party organizations are the cells of the party and are the foundation for implementing the party's line, principles, and policies. Only with healthy cells, will there be healthy bodies; and only with a solid foundation, will there be strong fighting capacity. We must give priority to strengthening the building of the grass-roots party organizations. We should install the leading bodies that are strong in party spirit, set an example in doing everything, have good ability of organization and leadership, and are able to unite and lead party members to implement the party's line, principles, and policies as well as resolutions. We should perfect the inner-party democratic life system, conduct lively and vivid ideological and political work, carry forward positive factors, overcome negative factors, show concern for the weal and woe of the masses, maintain close ties with the masses, and build the grass-roots party organizations into a strong political core on various fronts.

Successfully developing new party members and expanding the ranks of party members in the practice of reform, opening up, and modernization is an important work to enable party organizations to continuously add fresh blood and always maintain their vigorous fighting capacity. We should pay special attention to the work of recruiting party members from the first lines of all fronts. In recruiting new party members, we should persist in the standards for party members, attach importance on quality of party members, and preserve the purity of the party.

Under the new historical condition, party organizations at all levels must enhance their understanding of the importance and urgency of strengthening party building. To achieving success in all items of work, the key lies in successful party building. Without a strong party leadership, we will fail in accomplishing the magnificent goal defined by the 14th CPC National Congress and will lose guarantee for developing reform, opening up, and modernization along a correct orientation. While taking the lead in conducting self-construction, leading organizations of the party at or above the county level should go deep into the reality to conduct investigation and study, conscientiously help the grass roots solve practical problems, and summarize and exchange new experiences in a timely manner in order to raise party building to a new level.

Let our whole party firmly rally around the CPC Central Committee with Comrade Jiang Zemin as the nucleus and bravely forge ahead based on the magnificent goal defined by the 14th CPC National Congress under the radiance of the "1 July." By so doing, our cause will certainly lead to success.

#### **Liaoning's Donggou County Changes Name to Donggang City**

*SK3007100593 Shenyang LIAONING RIBAO in Chinese 5 Jul 93 p 1*

[Text] With the approval of the State Council, Donggou County has changed its name to Donggang city (county level). The administrative division of the county will remain unchanged though it has been promoted to the city level.



**XINHUA on Nelson Mandela's Visit to Taipei**

OW3007175393 Beijing XINHUA in English 1736  
GMT 30 Jul 93

[Text] Johannesburg, July 30 (XINHUA)—African National Congress (ANC) President Nelson Mandela said in Taipei today that an ANC-led government of South Africa will recognize not Taiwan but the People's Republic of China, according to a South African press association report from Taipei.

Mandela arrived in Taipei, capital of China's Taiwan province, this morning on a four-day visit to raise funds for an ANC campaign for the first non-racial election in South Africa, set for April 27 next year.

The report said Mandela told Taiwan journalists that an ANC-led government will not recognize Taiwan because a democratic South African government will belong to organizations such as the United Nations, the Organization of African Unity, the Commonwealth and the Non-Aligned Movement, and will have to follow their positions.

"We will therefore be bound by the policies of those international organizations," he said.

China had made a formidable contribution to the ANC over the years during its fight against apartheid rule, Mandela said, adding the ANC will not abandon its friends.

The ANC is proud of its ties with China, he said.

**Jiang, Li Write Inscriptions for Taiwan Exhibit**

OW3107114993 Beijing XINHUA Domestic Service in  
Chinese 0916 GMT 22 Jul 93

[By reporters Liu Shizhong (0491 0673 1813) and Wu Ming (0702 2494)]

[Text] Beijing, 22 Jul (XINHUA)—The "Exhibition of Technologies and Products by Taiwan-Funded Enterprises", the first large exhibition of its kind on the mainland displaying the outlook of Taiwan enterprises, opened this morning at the China International Exhibition Center in Beijing. President Jiang Zemin and Premier Li Peng wrote inscriptions for the exhibition. Rong Yiren, vice president; Li Lanqing, vice premier; and Wang Zhaoguo, vice chairman of the National Committee of the Chinese People's Political Consultative Conference, attended the opening ceremony and cut a ribbon to open the exhibition.

President Jiang Zemin's inscription for the exhibition reads: Broaden cross-Strait cooperation and make joint efforts to rejuvenate the Chinese nation. Premier Li Peng's inscription reads: Strengthen economic, trade, and technological exchange between the two sides of the Strait to bring about common economic prosperity.

The Taiwan Affairs Office of the State Council sent a greeting message to the exhibition.

In the exhibition halls on the second, third, and fourth floors of the International Exhibition Center, with a total floor space of a few thousand square meters, nearly 500 Taiwan-funded enterprises exhibited a few thousand kinds of technologies and products in more than 10 categories ranging from food products, clothing, and home electrical appliances—all of which have close relations with consumers' daily life—to chemical, machinery, electronics, raw and processed material, and other industrial technologies and products. The technologies of some products are quite advanced. The products exhibited by some well-known Taiwan-funded enterprises, such as the line of food products by Tongyi Company, Crown leather wear, Haowei ceramic products for construction use, and the Deshili Company's new and high technological products, attracted many viewers.

The exhibition, which is jointly held by the China Association for the Promotion of Science and Technology and the Science and Technology Consulting and Service Center of the China Association of Science and Technology, has been given wide attention and has been widely welcomed by business circles on both sides of the Strait. Some economists and entrepreneurs said the exhibition fully demonstrates the development in economic and trade exchange and cooperation between the two sides of the Strait since the policy of reform and opening up was implemented; it also demonstrates that the two sides are highly complementary to each other in economic development, scientific and technological exchange, and trade cooperation.

Vice Minister Guo Shuyan of the State Planning Commission as well as experts of the State Commission for Science and Technology, the China Academy of Sciences, the Ministry of Foreign Trade and Economic Cooperation, the State Commission for Economics and Trade, and the State Council's Taiwan Affairs Office formed a group to appraise the exhibition. These experts said most of the technologies and products exhibited at the exhibition are of light industry and basically reflect the standards of Taiwan-funded enterprises, and that the artistic technology of many products is quite advanced. They said from the exhibition we can see that a high percentage of Taiwan's technological development had been commercialized, and that Taiwan businessmen had paid great attention to making their products meet consumers' demand. They said the mainland's business circles can learn from this in order to develop products and improve product quality.

After the opening ceremony Rong Yiren, Li Lanqing, and Wang Zhaoguo viewed the exhibits.

**Report on Growth of Island Investment on Mainland**

HK3007150593 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 1107 GMT 13 Jul 93

[Text] Hong Kong, 13 Jul (ZHONGGUO TONGXUN SHE)—Taipei news: The latest statistical figures from

the Taiwan Ministry of Economic Affairs Investment Commission show that, in the first six months of this year, the commission approved 1,649 applications by Taiwan businessmen for investment in the mainland, the total amount of which was \$667 million, a huge increase of 673 percent from the \$86 million in the same period last year.

The Investment Commission believed that production cost-cutting to raise competitiveness was the main factor behind the rapid rise in Taiwan businessmen's investment on the mainland. Figures show that as of 3 June, petitions to the commission for indirect investment on the mainland had reached 9,098, involving \$2.959 billion in total investment.

For types of investment, of the 9,000 or so cases which have been registered, labor-intensive industries such as foods, textiles, handicrafts, paper-making, and rubber products accounted for the largest proportion at 48.42

percent. On the other hand, chemical, machinery, electronics, transportation and precision appliances, and instrument industries, which are still major manufacturing industries in Taiwan, accounted for 37 percent.

#### **Mainland, Taiwan Scholars Discuss Legal Affairs**

*OW3007153293 Beijing XINHUA in English 1441*

*GMT 30 Jul 93*

[Text] Fuzhou, July 30 (XINHUA)—Scholars from both sides of the Taiwan Straits have had an extensive and in-depth exchange of views on economic, trade and legal affairs at a forum which concluded here today.

During the three-day meeting, 51 experts agreed that it is the historical trend and fully in line with the wishes and interests of the Chinese people for the two sides to develop economic and trade ties. They held that such ties will contribute to the revitalization of the Chinese nation. They expressed the hope to seek common ground in advancing such co-operation.

## South African ANC Head Nelson Mandela Visits

### Says ANC Wants Friendship

OW3007151693 Taipei CNA in English 1414 GMT  
30 Jul 93

[Text] Taipei, July 30 (CNA)—African National Congress leader Nelson Mandela said here Friday [30 July] his party hopes to develop "strong ties of friendship" with the Republic of China [ROC].

The respected South African black leader made the statement upon his arrival in Taipei for a four-day visit.

Mandela told a news conference at Chiang Kai-Shek [CKS] International Airport that he was impressed by Taiwan's economic development.

"I hope to learn more about Taiwan's experience in land reform, vocational training and business management during my stay here," said the 75-year-old ANC chairman, who seems destined to be South Africa's next president.

Asked if South Africa would simultaneously recognize Taipei and Beijing should the ANC come to power following South Africa's first multiracial general election next April, Mandela said his party is willing to help Taiwan win international recognition as an independent political entity.

"If we can make any contribution in this regard, we would like to do that," Mandela pledged.

He noted that at present, the so-called "one-China" policy is widely followed in the international community. "As our country is a member of nearly all major international organizations, we must abide by this policy," Mandela said in his measured, lawyerly tones.

He said that because Communist China assisted the ANC, the largest opposition party in South Africa, in its early stages of development in the 1950s, the ANC could not "forsake our old friend."

Mandela, however, stopped short of elaborating whether or not his country will recognize Beijing if the ANC comes to power next year.

He instead said he believes the leaderships in Taipei and Beijing will be able to "address and solve" their differences, given the fact that commercial exchanges between the two sides are increasing rapidly.

Heading a 10-member delegation, Mandela arrived at CKS Airport at 1:30 p.m. To a warm welcome from high-ranking ROC officials, including Premier Lien Chan and Legislative Yuan President Liu Sung-fan.

Later in the day, Mandela watched a presentation on Taiwan at the Government Information Office.

In the evening, Premier Lien gave a dinner in Mandela's honor.

Mandela will visit a vocational training center and a farm in Taichung, central Taiwan, Saturday.

### Visits Training Center, Farm

OW3107135893 Taipei CNA in English 1353 GMT  
31 Jul 93

[Text] Taichung, Taiwan, July 31 (CNA)—African National Congress leader Nelson Mandela said here Saturday [31 July] that Taiwan's experience in vocational training would serve as a good model for South Africa, which suffers from high unemployment and a dearth of technical personnel in industry.

Mandela, on his second day of a four-day visit, made the comments while visiting a government-sponsored vocational training center in this central Taiwan city.

Earlier in the day, Mandela visited an experimental farm run by the provincial government in Wufeng near Taichung to familiarize himself with the level and kind of research being carried out in Taiwan.

Mandela and his entourage were briefed by Chiu Mao-ying, commissioner of agriculture and forestry of the Taiwan provincial government, on the current state of agricultural development.

Chiu said the industry, although in a period of transition, is still a leading contributor to Taiwan's economic development and social stability.

After viewing the farm's facilities, Mandela said that he hopes Taiwan and South Africa can further strengthen cooperation in agricultural technology.

### President Li Honors Mandela

OW3107140693 Taipei CNA in English 1357 GMT  
31 Jul 93

[Text] Taipei, July 31 (CNA)—President Li Teng-hui conferred upon African National Congress [ANC] leader Nelson Mandela the Order of Brilliant Star With Special Grand Cordon, an honor reserved for leaders of foreign countries, in a ceremony held at the Presidential Office Saturday [31 July] evening.

President Li spoke highly of Mandela's lifelong quest to safeguard the freedom and human rights of South Africans, praising him as one of the world's outstanding politicians.

Mandela, in return, thanked President Li and the government and people of the Republic of China [ROC] for the honor bestowed upon him, saying it belonged to all the people of his nation.

The ANC leader, who is likely to become the next, and the first black, president of South Africa, arrived here Friday for a four-day visit at the invitation of the ROC Government.

Those present at the conferment ceremony included Presidential Secretary General Tsiang Yien-si, Acting



Foreign Minister Fang Chin- yen and ANC Treasurer General Thomas Nkobi and Economics Director Trevor Manuel [spelling of names as received].

Mandela earlier in the day visited a vocational training center in Taichung, central Taiwan.

### **Mandela Holds News Conference**

*OW0208095193 Taipei CNA in English 0758 GMT  
2 Aug 93*

[Text] Taipei, Aug. 2 (CNA)—African National Congress [ANC] leader Nelson Mandela said Monday [2 August] his four-day trip to Taiwan was fruitful and ushered in a new era for future relations between the ANC and the government of the Republic of China [ROC].

During a news conference held at the Grand Hotel before his departure, Mandela expressed gratitude at the warm hospitality the ROC Government extended to him and his entourage.

Mandela led a 10-member ANC group to Taipei on July 30 for a four-day visit.

Answering questions about future ROC economic aid to South Africa, Mandela said he was pleased he was given positive answers from ROC officials. However, he did not elaborate on the details and amounts of future aid.

Mandela, who was the first black lawyer in South Africa, refused to discuss the differences between the ruling Kuomintang and the opposition Democratic Progressive Party.

He said his meetings with officials from both political parties helped him develop a greater understanding of the political situation in the Republic of China.

Meanwhile, an ANC spokesman Sunday denied media allegations that the ANC asked for a US\$10 million donation from the Republic of China.

Pallo Jordan, head of the ANC's Department of Information and Publicity, said Mandela expressed hope earlier this year that the Republic of China would donate a professional training center to South Africa similar to the Taiching Vocational Training Center in central Taiwan.

A ministry official confirmed Monday that the ROC Government agreed in principle to help South Africa develop a vocational training center. The center was estimated to cost about US\$10 million.

On Sunday, Mandela and his delegation met with President of the Legislative Yuan Liu Sung-fan at a dinner Liu hosted in their honor.

The ANC leader told Liu that he hopes the Republic of China will start making preparations for new economic relations with South Africa as international economic

embargoes imposed against South Africa are expected to be lifted in August or September of this year.

Also on Sunday, Mandela received an honorary doctorate of law from Soochow University in recognition of his life-long contribution to human rights in South Africa.

Soochow University President Chang Hsiao-tzu bestowed the honor on Mandela during a ceremony held at the university. Chang praised Mandela's persistent devotion to human rights in South Africa and world peace despite his imprisonment and illness.

Mandela then met with members of the Democratic Progressive Party, the major opposition party in Taiwan.

Commenting on media reports that the ANC leader opposed Taipei's bid to rejoin the United Nations, Mandela said the ANC would make a decision on the matter only after thorough study and evaluation.

### **ANC Members Speak 'Highly' of Taiwan Economy**

*OW3007153093 Taipei CNA in English 1418 GMT  
30 Jul 93*

[Text] Taipei, July 30 (CNA)—Two African National Congress [ANC] executives spoke highly of the successful economic development of the Republic of China [ROC], saying it is a worthy model for South Africa.

Trevor Manuel, an ANC official responsible for economic planning, and A. Saloojee, who is in charge of the party's international affairs, sung their praises when visiting Vice Economic Affairs Minister Sheu Ke-sheng Friday [30 July] afternoon.

Sheu told the press after the meeting that the two guests, who accompanied ANC Chairman Nelson Mandela to Taiwan Friday, wanted to learn for themselves the policies that have led to the ROC's successful economic development.

The two showed a particular interest in Taiwan's ability to fund development projects, help small enterprises, and narrow income gap between rich and poor, Sheu said.

Manuel told Sheu that the vast gap in the distribution of wealth between white and black people is South Africa's most pressing issue.

The two visitors, according to Sheu, also expressed interest in Taiwan's low unemployment rate. The unemployment rate is as high as 45 percent in South Africa.

### **Island To Maintain Ties With South Africa**

*HK0208025093 Hong Kong THE STANDARD in  
English 2 Aug 93 p 7*

[Report by Patricia Kuo in Taipei]

[Text] Taiwan will maintain diplomatic ties with South Africa although it is said the country is poised to shift towards Beijing. The maintaining of official links between South Africa and Taiwan would mean substantial benefits for both countries, a foreign ministry official said in Taipei yesterday as a four-day visit by African National Congress leader Nelson Mandela came to an end.

High-ranking officials including Premier Lien Chan were attempting to impress Mandela. They hoped it would lead to continued diplomatic ties after, and if, Mandela was elected South African leader in April next year. But Mandela dampened the government's hopes by making it clear that he did not intend to abandon his "old friends" in Beijing.

He stressed that the ANC would follow the policy and decisions of major international organizations when dealing with Taiwan. Taiwan's media and parliament criticized his remarks and ANC sources said Mandela was uneasy about the response.

The ANC source said that China's relations with the ANC hadn't been good for some time. "We know that Beijing has also been trading with the South African white government."

Beijing supported the ANC during the 1950s, but later moved to support the Pan Africanist Congress (PAC), whose slogan was "one settler, one bullet". China recently resumed contacts with ANC, but it still kept close relations with the hardline PAC.

Meanwhile, Beijing was secretly trading with the South African white government while claiming to be implementing trade sanctions against it. "As far as I know, they're engaging in selling and buying arms and military technologies," the source said.

#### **Kaohsiung Gives Refuge to Vietnamese Boat People**

OW3107135593 Taipei CNA in English 1335 GMT 31 Jul 93

[Text] Kaohsiung, Southern Taiwan, July 31 (CNA)—Seventy Vietnamese boat people have been granted temporary refuge at the port of Kaohsiung, port police said Saturday [31 July].

The refugees were discovered aboard a foundering boat off the Kaohsiung coast by naval vessels on July 27. The boat, which had lost power due to engine failure, was pulled in for repairs rather than being expelled.

Kaohsiung Port police said the Vietnamese will leave after repairs to the boat are completed.

#### **Foreign Minister Signs Communique in Costa Rica**

OW3107082493 Taipei CNA in English 0756 GMT 31 Jul 93

[Text] San Jose, July 30 (CNA)—The Republic of China [ROC] and Costa Rica signed a joint communique Friday [30 July] pledging to cement their bilateral cordial relations.

Foreign Minister Chien Fu signed the communique on behalf of the ROC while Costa Rica was represented by Chien's counterpart Bernd Niehaus.

The communique calls for measures to further promote bilateral cooperation and touts the present friendship between the governments and peoples of both countries.

The document also reviews Costa Rica's achievements in fields as diverse as grape growing, hog farming, bamboo craftsmanship and small enterprise as a result of ROC assistance.

The two countries agreed to promote democracy and regional peace in the communique.

Both countries gave high marks to the work done by the Joint Cooperative Committee. The committee is comprised of the ROC and seven Central American countries. One of committee's major tasks is to promote the ROC's UN bid.

Chien recently attended a meeting of the committee in San Jose, Costa Rica.

#### **Taipei Seeks To Be ASEAN Dialogue Partner**

OW3107074093 Taipei Voice of Free China in English 0200 GMT 25 Jul 93

[From the "News" program]

[Text] Taiwan will continue to seek to become a dialogue partner of the Association of Southeast Asian Nations even if ASEAN accepts Mainland China as an observer, the Foreign Ministry has said. Ouyang Jui-hsiung said that ASEAN is an important international organization, whether or not it admits Communist China as an observer during the current session, the ROC [Republic of China] will continue to seize every opportunity. Ou-yang said Taiwan maintains close economic and trade ties with all six ASEAN members. Taipei has, through its representative offices in each of those countries, expressed the wish to become ASEAN's dialogue partner to the respective governments. However, ASEAN [word indistinct] has not accepted Taiwan's application due to consideration over Mainland China.

**Thirteen Students To Attend Beijing University**

*OW3107135493 Taipei CNA in English 1341 GMT  
31 Jul 93*

[Text] Beijing, July 31 (CNA)—Thirteen Taiwan students will study at the Beijing University Graduate School this fall, up from seven last year, vice president of the university Luo Haocai said Saturday [31 July].

Up to now, no student from Taiwan has been accepted by Beijing University for undergraduate study because "none passed the examination," Luo said.

Luo said Taiwan students, like their counterparts from Hong Kong and Macao, are exempt from the required political test all prospective mainland graduate students must pass.

Students from outside of the mainland also are not required to study political science, Marxism or the history of the Chinese Communist revolution during their post-graduate years, Luo added.

Taiwan students can apply for entrance to mainland universities through the Beijing-Hong Kong Academic Exchange Center in Hong Kong or the Education Committee of Guangdong Province, Luo said.



### Hong Kong

#### Lu Ping: UK Not Moving 'Fast Enough' on Talks

HK3107034593 Hong Kong SOUTH CHINA  
MORNING POST in English 31 Jul 93 p 2

[Report by Doreen Cheung in Hubei]

[Text] Lu Ping yesterday criticised Britain for demanding a three-week break in the political talks and said Beijing wanted to speed up the negotiations. "The British side insisted on having a holiday. We don't want to have a break. We told them time was running out. Could they work faster?" Mr Lu said during a tour of the Three Gorges holiday resort with a group of Hong Kong Affairs advisers.

Mr Lu, director of the Hong Kong and Macao Affairs Office, claimed that it was only on China's insistence that the two sides would be meeting for the ninth round on August 16 and 17. "As time is running short, we don't want to see it (the talks) dragging on indefinitely. We hope that the issue (electoral arrangements) can be resolved soon," he said. The top official said although some progress had been made in the previous rounds of talks, it had not moved forward fast enough. He said it was difficult to say whether a deal could be reached by the two sides by October. The British side is keen to conclude the talks before Governor Chris Patten delivers his second policy speech in October.

Mr Lu revealed that the controversial through-train issue had yet to be discussed and said the two sides had yet to reach agreement on the two key issues of the 1994/95 electoral arrangements—functional constituency elections and the election committee.

His deputy, Chen Ziyang, told a delegation from Pok Oi Hospital in Beijing on Thursday that an agreement on the electoral arrangements was the "basic and essential condition" for any discussion on the through-train.

#### Further on Lu's Remarks

HK0208031093 Hong Kong TA KUNG PAO in Chinese  
31 Jul 93 p 2

["Special dispatch" by staff reporter Cheng Kang-ying (6774 6921 5391) from Wuhan: "Lu Ping Says Progress in Sino-British Talks Is Slow"]

[Text] Wuhan, 30 Jul (TA KUNG PAO)—Yesterday, Lu Ping, director of the State Council's Hong Kong and Macao Affairs Office, said that the Chinese side does not want to hold Sino-British talks on Hong Kong's 1994-95 election arrangements forever. He also revealed that certain progress was made in the talks, but the talks have not made progress fast enough. The Chinese side was also a bit anxious and hoped that the problems could be solved soon. Lu Ping accompanied nine Hong Kong affairs advisers on a sightseeing tour in the Three Gorges

of the Chang Jiang yesterday, and he made the above remarks when asked by reporters about the talks on the election arrangements.

The Chinese and British foreign ministers stressed at their meeting in early July that the talks should be sped up, but the ninth round of the talks is to be held almost one month after the eighth. Is this contradictory to what the foreign ministers said? Lu Ping answered this question: A vacation is something sacred and unchangeable for the British side. They have said that they must have their vacation, so it was originally planned that no talks would be held in August. The Chinese side did not want to take a break, however, because there is little time left. The Chinese side required that the talks be held more intensively, and it was arranged that the ninth round of the talks would be held on 16 and 17 August.

Lu Ping stressed that, because time is indeed strained, the Chinese side does not want to indefinitely prolong the talks and hopes that the problems can be solved soon.

A reporter asked whether the talks would achieve results when the Hong Kong governor makes another policy address in October, and Lu Ping said it was difficult to make any predictions.

A reporter asked Lu Ping whether he had any plans to meet with the Hong Kong governor, and Lu Ping said that he had no such plans at the current time.

#### Daily Accuses Legislative Council of 'Tricks'

HK3107061593 Hong Kong WEN WEI PO in Chinese  
30 Jul 93 p 2

[Editorial: "Legislative Council in the Midst of British Hong Kong Government-Initiated Constitutional Reforms"]

[Text] The 1992-93 legislative year is over. What did the Legislative Council [Legco] do for Hong Kong's smooth transition in the third year of the latter half of Hong Kong's transitional period? Have some of Legco's members truly reflected Hong Kong's popular opinion on important problems? All this merits pondering.

The biggest event in the 1992-93 legislative year was the constitutional reform package unveiled to Legco by the new Hong Kong Governor Chris Patten on the first day (7 October) of the new legislative year. The package violated the Sino-British Joint Declaration, the principle of convergence with the Basic Law, and the agreements and understandings reached between China and the UK. It ruined cooperation between China and the UK and started a serious dispute between these two countries. Despite the fact that more and more groups and people, including some Legco members, came forward to criticize the "three violations" constitutional reform package, urging the UK to dump Chris Patten's model and restore cooperation with China in order to maintain Hong Kong's stability and prosperity, Legco still passed a motion by MacGregor on 11 November last year

supporting Patten's constitutional reform package, adding fuel to the dispute between China and the UK.

It is in the Hong Kong citizens' fundamental interest, and is also their general wish, to achieve a smooth transition and maintain stability and prosperity. Most Hong Kong citizens had hoped for cooperation between China and the UK and a smooth transfer of power. That is why talks between China and the UK on Hong Kong's 1994-95 electoral arrangements were generally welcomed. The citizens hoped that China and the UK could achieve results on the basis of the "three conformities" so that Hong Kong's political development could converge with the Basic Law. During the Sino-British negotiations, however, Legco played quite a few tricks and created various obstacles to the talks. On 26 May, Legco passed the draft ordinance on the Boundaries and Election Commission, turning Patten's "three violations" package into law in a "piece-by-piece" fashion. On the same day, disregarding the confidentiality rule on the ongoing Sino-British negotiations, it passed Yeung Sum's motion demanding that the talks' agenda and progress be released. On 31 May, its Constitutional Development Panel passed Martin Lee's motion requiring a fortnightly discussion on Patten's package, a practice that lasted to the end of the Legco year. On the last day of the 1992-93 legislative year, the 21st of this month, Legco brushed aside opposition from most of the Yau Ma Tei-Tsim Sa Tsui district board members and citizens and passed a proposal to merge these districts with Mongkok to pave the way for the implementation of Patten's package.

Facts show that, on the whole, Legco has chimed in with Chris Patten in this Patten-instigated Sino-British dispute. On the key problems of Hong Kong's smooth transition, stability, and prosperity, Legco has disappointed most of the Hong Kong people by failing to stop Patten's erroneous policy.

On social and economic problems and those concerning the people's livelihood, however, those Legco members who had tacitly worked in tandem with Chris Patten on political issues zealously argued with one another in order to distinguish themselves for the elections in their constituencies, which slowed down progress in Legco debates. Too often, debates were conducted not to solve problems but to give Legco members an opportunity to gain exposure and put on a show to win votes. There were increasingly frequent motion debates, and meetings dragged on. Some Legco members put forward motions to debate on subjects they did not know much about, such as housing problems, and it became a farce. They blamed the Housing Authorities for law and order problems at public estates—an area which was not under these authorities' jurisdiction and was the responsibility of the Police Department—and attributed the problems to mismanagement by the authorities. All they succeeded in doing was anger the Housing Authorities staff and undermine morale in the Housing Department.

Debate on the Draft Western Cross-Harbor Tunnel Ordinance is also a case in point. The necessity and urgency of a cross-harbor tunnel in Western district is public knowledge. Consortiums were willing to invest in this time-consuming and costly project and had taken public interest into consideration with offers such as a profit ceiling scheme, demonstrating to a certain extent their long-term commitment to Hong Kong. This could only benefit Hong Kong's stability and prosperity. Some of the "United Democrats" Legco members made many revisions to the draft ordinance which were unacceptable to the consortiums. They persisted with such actions, fully aware of the serious consequences of not having a Western cross-harbor tunnel. Without the Western cross-harbor tunnel, Hong Kong traffic problems would remain unresolved, and the vast majority of Hong Kong citizens would stand to suffer. If the Hong Kong Government decided to build the tunnel itself, thereby diverting resources from social welfare, the citizens would still be the victims. Were Legco members of the United Democrats doing this in the citizens' interests or in their own?

Many of Legco's actions in the past legislative year had a negative impact on Hong Kong's smooth transition, its stability, and its prosperity, and worked against the will of the majority of the Hong Kong people. Such actions by Legco cannot be separated from the manipulation, connivance, and support of the British Hong Kong authorities. Because of this, although some Legco members did work hard and opposed those mistaken actions in the belief that they were responsible for Hong Kong's smooth transition and the Hong Kong people's interests, their efforts have had little effect.

#### Editorial: Patten 'Interfering' With Transition

HK0108020593 Hong Kong WEN WEI PO in Chinese  
31 Jul 93 p 2

[Editorial: "Chris Patten Is Interfering With a Smooth Transition Through Odd Tricks"]

[Text] Since he took office a year ago, Chris Patten has made great efforts to carry out political reform and the activities of the "three violations." He has wantonly undermined Sino-British cooperation and has cast a shadow on the smooth transition of Hong Kong. Chris Patten returned to the UK for his summer vacation a few days ago, and the people of Hong Kong thought that there would be a period of tranquility during the holiday. However, Chris Patten is not willing to be lonely and has not forgotten how to incite confrontation and sow discord among the people of Hong Kong in order to shake their confidence.

Yesterday, Chris Patten delivered a speech across the ocean in London criticizing Hong Kong's legal circles for "having no confidence in maintaining the rule of law after 1997" and saying that "if even lawyers are not in the forefront in believing in law, we can only seek protection from God." With ulterior motives, he said

that lawyers had refused to take up a lawsuit "as if China would not keep her word to safeguard her reputation." Making such remarks incites the people of Hong Kong not to trust one another and creates suspicion between the people of Hong Kong and the Chinese Government. Before he delivered his speech, Hanson, the Governor's Residence press secretary, had already made inquiries of Martin Lee. This shows their close cooperation on the matter. The people of Hong Kong remember that only two days ago Chris Patten said that he "would not involve himself in civil lawsuits" and claimed to respect judicial independence. He was always changing, however, and his deeds did not match his words two days later. He went back on his word and looked very hypocritical.

All civil lawsuits are handled by courts of law. No other Hong Kong Governor nor any senior officials in the Hong Kong Government have ever done anything so strange as to involve themselves in any civil lawsuit, breathe through the same nostrils, exchange secrets and information, and sing the same tune with the plaintiff. Is it Martin Lee or Chris Patten who is engaged in the lawsuit? Why is Governor Patten so keyed up and unable to control his feelings? Chris Patten, who has power and influence, has stood on one side of the lawsuit and echoed the views of Martin Lee. What does this imply? He has, through his speech on overseas television, played up and exaggerated the law firms' "lack of confidence in rule by law," linked this to the supposition "as if China will not keep her word," and dressed up Martin Lee as a victim. What is he aiming at?

If Chris Patten is really talking about the rule by law, why do he and his press secretary not show the same concern for the two defendants in the case as they do for Martin Lee and examine whether the defendants can get a lawyer for themselves?

Before Chris Patten delivered his speech, Roderick Woo Bun, president of the Law Society, contacted Martin Lee and promised to take up his case on Friday last week [23 July]. HUA CHIAO JIH PAO also reported the day

before yesterday that Haldane, Midgley, and Booth had agreed to take up Martin Lee's case, and Martin Lee also had entrusted a lawyer with the work. If the senior officials of the Governor's Residence had read the newspapers or had made a phone call to the Law Society, they certainly would have found out the situation. They did not want to do that, however. When some law firms refused to take up the case for technical or professional reasons, they were as happy as if they had found a treasure, played up the matter, and shouted loudly that nobody "dares to take up the lawsuit" and "nobody takes up the lawsuit." The governor then delivered a speech abroad, criticized the conduct of lawyers and said they were not "in the forefront of believing in law." Evidently, this is an act of willfully treating facts with indifference, intentionally misleading the people of Hong Kong to think that they will "have to depend on God for protection" after 1997, and intentionally shaking the Hong Kong people's confidence in one country, two systems.

Does Chris Patten, by staging a psychological war in this way, want to frighten the people of Hong Kong so that they will give up the hope of convergence with the Basic Law? Does he not want to realize a smooth transition in Hong Kong in accordance with the Sino-British Joint Declaration and the Basic Law? If the people link Chris Patten's remarks with what he recently said about the arrangements for the elections in 1994 and 1995 that "no agreement is better than a bad agreement," and with how Martin Lee has parroted Patten's views after returning from his visit to the UK, they will easily see that Chris Patten is using Martin Lee's lawsuit in a political show and as a hint foreshadowing the contents of his October policy address in a bid to obstruct and undermine the smooth transition. Chris Patten's performance has failed to deceive the people, however. All the people of Hong Kong remember that Major abused three of his cabinet members a few days ago, calling them "bastards," and, to date, no one in the UK has charged Major with libel. If Chris Patten worries about the crisis of rule by law, why has he not said anything about it?



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